

BRAZIL BEGINS WELL, WITH SCOTLAND'S HELP



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TODAY:
Mapping the Music PAGE 10

Greenspan Says U.S. Is in a 'Virtuous Cycle'

Tumbling Asian Shares

Percentage change in main share indexes on Wednesday and year to date

	% change Wednesday	% change in 1998
Thailand	-5.24	-21.62
Hong Kong	-4.91	-25.58
Singapore	-4.42	-30.20
S. Korea	-4.33	-13.49
Malaysia	-3.12	-17.59
Taiwan	-3.12	-11.78
Japan	-1.28	-10.53
Australia	-1.18	-0.90
Indonesia	-0.73	+1.59
Philippines	-0.28	-2.60

Source: Bloomberg

Asian Stocks Recoil on Fear Of Contagion From the Yen

By Philip Segal
International Herald Tribune

HONG KONG — Stocks and currencies fell steeply across Asia on Wednesday as the Japanese yen continued its plunge, and markets grew more fearful that China could devalue its currency in frustration over Japan's perceived reluctance to support the yen.

Every major stock market in Asia fell — many by more than 3 percent — in fear of a renewed bout of competitive currency devaluations that could be induced by a weak yen and a devalued Chinese yuan.

The U.S. dollar was trading at 141.58 yen late in the day Wednesday in New York, up from 140.26 on Tuesday.

European markets shuddered as well, though most bourses kept losses below 1 percent.

The market turmoil followed remarks by the governor of the Chinese central bank, Dai Xianglong, who said Tuesday that "the depreciation of the yen is having a very negative impact on China's imports and exports, and the utilization of foreign capital."

Although he repeated Beijing's often-stated promise not to devalue the yuan, stock and currency markets were set on edge by what they took to be China's growing impatience with Japan, which China may think should be doing more in concert with the United States to support the yen.

"China has done its part by keeping the yuan stable," said Billy Chan, a fund manager at Invesco Asset Management Asia Ltd.

"So it's natural the Chinese may not

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Economy Weathers The Asian Threat

By Mitchell Martin
International Herald Tribune

NEW YORK — Alan Greenspan, the Federal Reserve Board chairman, said Wednesday that the U.S. economy was "enjoying a virtuous cycle," in which rising stock prices encourage spending and growth, and he raised the possibility that the economy has "moved beyond history."

Mr. Greenspan said that the U.S. economy has "remained strong this year despite the evidence of substantial drag from Asia, and at the same time, inflation has remained low."

This situation, he said, "is not what historical relationships would have led us to expect at this point in the business expansion, and while it is possible that we have, in a sense, moved beyond history, we also have to be alert to the possibility that less-favorable historical relationships will eventually reassert themselves."

Although his address to the Joint Economic Committee of Congress was peppered with caveats, his general tone was upbeat and he said "very clearly" that there was "no sign" that the central bank needed to raise interest rates to combat inflation in the coming months, according to Larry Kimbell, professor of business economics at the University of California at Los Angeles.

Mr. Greenspan's comments gave impetus to a Treasury bond rally that began earlier in the day as investors sought a haven from the troubled Asian financial markets.

But stocks fell back after the Fed chairman warned that profit growth at U.S. corporations could slow.

Mr. Kimbell, who teaches at UCLA's Anderson School, said Mr. Greenspan had alleviated fears that the central bank's policy-setting Federal Open Market Committee would vote to raise interest rates in the near future.

"He is telling everyone to relax, if you look to the end of the summer, maybe the end of the year, it looks great," he said.

Many of Mr. Greenspan's comments were on the subject of productivity growth, the linchpin of the so-called New Age economic theory, whose adherents believe that improvements in technology are allowing the economy to expand far more quickly than was thought possible.

"Signs of a major technological transformation of the economy are all around us," Mr. Greenspan said, "and the benefits are evident not only in high-tech industries but also in production processes that have long been part of our industrial economy."

But Mr. Kimbell noted that the Fed chairman "also said clearly that the

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Brazil's Cesar Sampaio, number 5, heading in the first goal of the World Cup — in the fourth minute.

Defending Champions Take Opener A Scottish Own-Goal in 2d Half Hands Victory to Brazilians

By Christopher Clarey
International Herald Tribune

SAINTE-DENIS, France — The opening game of the 16th World Cup finals was still an hour away from starting, but Scotland was about to take an early lead over the defending champion.

As a group of Brazilian fans trundled by on the esplanade leading to the Stade de France, a bearded Scottish supporter holding a beer bottle and the hem of his kilt shouted out, "Has Ronaldo seen this?" He quickly turned around and flipped up his kilt, exposing his very bare bottom.

There would be more surprises inside the stadium for the

Brazilians as the hard-running, spirited Scots gave their team greater resistance than expected on Wednesday night. But ultimately there would be no shock heard round the hemispheres as Brazil prevailed, 2-1, after Scottish defender Tommy Boyd's own-goal broke a tie in the 73rd minute.

World Cup openers have a tradition of being underwhelming, but this one was livelier than most: full of offensive thrusts, confident shots on goal and moments of individual virtuosity from Brazil's Ronaldo, Rivaldo and Denilson.

Nonetheless, it is doubtful that the Brazilian fans who

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Air France Pilots Call Off Their Strike

By Barry James
International Herald Tribune

PARIS — Air France pilots abruptly called off a strike against the state-owned airline on Wednesday after agreeing to receive shares in the company in lieu of salary cuts when the carrier is partly privatized later this year.

As the World Cup soccer tournament got underway — an event that the strike had threatened to disrupt — Air France management obtained its main goal, a reduction of up to 500 million francs (\$84 million) a year from the pilots' payroll to help pay for a 40-billion-franc modernization project.

The deal, a framework agreement that will be followed by detailed negotiations on specifics, enabled the company to start moving aircraft into position to resume normal domestic and medium-range operations by the end of this week, and full intercontinental schedules from early next week, a spokesman said.

But the strike cost it at least \$1 billion in lost revenues, while it was too early to say how much the airline had lost permanently to competing carriers.

The agreement was unexpected, because only a few hours earlier during a stormy meeting the majority of the pilots had agreed to go on fighting, despite

hostility from their colleagues at Air France and the public. Signs of disunity in the pilot ranks began appearing Tuesday, with a union representing flight engineers saying it was willing to settle.

Three small unions representing pilots who worked for the former Air Inter, now absorbed by Air France, said they would remain on strike.

During the course of the walkout, the pilots were disabused of any notion that they could expect the government to step in. Prime Minister Lionel Jospin said over the weekend that the government supported the management's

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Milosevic Under More Pressure On Kosovo

U.S. and Russia Join Europeans in Plan To Revive Peace Talks

By Craig R. Whitney
New York Times Service

PARIS — Officials from the United States, Russia, and four European countries, trying to increase pressure on Serbia to end military sweeps against ethnic Albanians in Kosovo, agreed Wednesday that Slobodan Milosevic, who is president of rump Yugoslavia, was primarily responsible for the violence.

The officials agreed, diplomats said, on a strategy of urging Mr. Milosevic to resume talks with ethnic Albanian leaders that were suspended when the attacks began last month, and threatening him with possible military action if the attacks continued.

President Boris Yeltsin of Russia, who has so far indicated that Moscow would block moves at the United Nations to authorize NATO military moves to halt the violence in Kosovo, may meet with Mr. Milosevic soon to try to get him to change his position, Russian officials said.

In London, Prime Minister Tony Blair told Parliament, "The only circumstance in which we will ensure that President Milosevic responds to diplomatic pressure is if that is backed up by the threat, the credible threat, of the use of military force."

The U.S. secretary of defense, William Cohen, said, on his way to a NATO meeting in Brussels, that Washington did not exclude a chance that military force might have to be used.

Allied defense ministers are expected to ask NATO military planners to draw up plans for possible troop deployments for peacekeeping missions along the border between Kosovo and neighboring Albania, or even inside Kosovo.

NATO officials have also said that air strikes against Serbian strategic military targets could be considered. But the allies are still some way from actually authorizing military moves, and Russia so far agrees with them that military means cannot be excluded, diplomats say, but not that the time has come to use them.

Britain has been circulating a draft UN Security Council resolution that would authorize the North Atlantic Treaty Organization to use force to preserve peace in Kosovo. But Russia, a permanent member of the Security Council, could veto the resolution.

Jacques Blot, the senior French dip-

AGENDA

EU Moves to Lift Ban On British Beef Exports

The European Commission recommended Wednesday the lifting of the ban on British beef exports, which was imposed two years ago at the height of the "mad cow" disease scare.

But the recommendation faces a lengthy approval process by the 15 member states of the European Union. It could be six months or more before British beef and veal is back in shops in Europe and around the world. The EU imposed a worldwide ban on British beef exports in 1996 after Britain announced a possible link between bovine spongiform encephalopathy, or "mad cow" disease, and the fatal human brain condition Creutzfeldt-Jakob disease. Page 5

Russians Delay Action On Nuclear Arms Pact

MOSCOW (WP) — Russia's lower house of Parliament, the State Duma, moved Wednesday to postpone ratification of the START-2 strategic nuclear arms treaty.

President Bill Clinton, who has not come to Moscow for more than two years, has said he will not schedule a summit meeting here with President Boris Yeltsin until the treaty is approved. Mr. Yeltsin had invited Mr. Clinton to come to a summit in Moscow in July.

The Duma voted to downgrade a hearing next week to a conference. Instead, formal hearings will be held in the fall. The treaty, signed in 1993 and ratified by the U.S. Senate in 1996, has languished in the Duma, which is dominated by nationalists and Communists.

Delays in ratification are partly due to resentment at Mr. Yeltsin's victory over the Communists in winning confirmation of Prime Minister Sergei Kiriyenko in May.

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Sickly Sheikh Is Reviving Hamas

Hard-Line Anti-Israel Stand Gains Money and Adherents

By Lee Hockstader
Washington Post Service

regarded in Israel and Washington as a leading terrorist who is suddenly riding a wave of enhanced prestige in the Arab world.

"It's not about money — he can collect money sitting in Gaza," said Ghazi Hamad, editor of a Gaza newspaper, The Message, with close ties to Hamas. "But the official reception of Yassin from these countries signals growing support for Hamam."

If that assessment is correct — and analysts here believe it is — it is bad news for Yasser Arafat, president of the quasi-statelet known as the Palestinian Authority. It is also bad news for Israel.

Both Israeli and Palestinian Authority officials say they fear that Hamam may use any money that Sheikh Yassin raises not only for the group's extensive social network of charitable societies, mosques, medical clinics and orphanages, but also for renewed attacks on Israel.

No major terror attacks have occurred in Israel in nearly a year. If one were to occur, analysts say, it would most likely deal a death blow to an Israeli-Palestinian peace process that is already in dire condition.

Now, Sheikh Yassin is set to return home to Gaza this weekend as a rising star — a man



Salah Omar/Agence France Presse

Jakarta Groups Document Mass Rapes of Chinese

By Seth Mydans
New York Times Service

said she believed that hundreds of women were receiving physical or psychological help at hospitals here.

Other aid workers said most of the victims remained too traumatized to talk about their experiences and too terrified of reprisals to report their ordeals to officials or even to unofficial rape centers. The police said no reports of rape had been brought to the authorities.

Another worker at the women's aid center, Ita Nadia, said some women had committed suicide after their ordeals.

The reported attacks ranged from the degrading and humiliating to the horrific: from women who were made to strip and perform calisthenics in public to women who were repeatedly raped and then thrown into the flames of burning buildings.

The reports involve girls and women ranging in age from 10 to 55, the aid workers said. Some were gang-raped in front of a crowd in the Chinese commercial district of Glodok, said Rita Kolibioso, executive director of the women's group Mitra Perempuan.

"Some of the rapists said, 'You must be raped because you are Chinese and non-Muslim,'" said Miss Ita, who works at a crisis center called Kalyana Mitra. Ethnic Chinese citizens, who control much of the country's commerce, have been targets of violence in Indonesia for years.

The consensus among human rights workers and rape counselors is that the attacks were mostly organized by unknown groups, in the same way

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The Dollar		
New York	Wednesday 6:4 P.M.	previous close
DM	1.7955	1.78
Yen	141.58	140.26
FF	8.0215	5.9685
Pound	1.6295	1.6365
The Dow		
Wednesday close	percent change	
-78.22	6.971.70	-0.86%
S & P 500		
-6.65	1,112.85	-0.59%

Newsstand Prices		

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Lettuce in Security Check/ Many Problems but High Profits

Capitalism Takes Flight: The Airport as Shopping Mall

By Jennifer Steinhauer
New York Times Service

NEW YORK — It is not easy to squeeze into a dressing room with two pieces of carry-on luggage and a laptop to try on a pair of jeans. And the sight of three airline captains hovering over a table of pink lingerie at Victoria's Secret still draws a second glance.

But such scenes are quietly becoming as integral to air travel as jet lag, weather delays and nondairy creamer. A number of airports, somewhat surreal spaces where travelers were once content to buy a few magazines and stare nervously at a clock, are starting to look a lot like malls.

In the last few years, dozens of national retailers have opened airport shops, invading what has long been the domain of newsstands, duty-free shops and the occasional live lobster stand by establishing small outposts of the Gap, Victoria's Secret and the like. At least one store, Atilitius, operates only in airports. Such stores are joined by a full array of food chains, including Starbucks and Legal Sea Foods.

The strategy makes some sense. Many retailers have saturated American malls and downtowns and are desperate for new places to set up shop. And with both business and leisure travel at a decade-long high, a lot of airports are scurrying to freshen up their terminals.

Running a business in an airport, though, can be a logistical nightmare. In no mall in America, for instance, are food merchants forced to take a dozen heads of lettuce through security. Many workers balk at commuting to an airport. And customers often breeze by shops in rushing to the gate.

But for all the headaches, airport stores can be profitable: Sales per square foot are often three or four times as high as those for stores in other locations, even though prices are the same as at malls. And ubiquitous delays coupled with the increased security measures that force travelers to get to airports earlier these days means these shoppers-in-motion often have more spare time on their hands. Managers at Ronald Reagan Washington National Airport say annual sales average \$950 a square foot, more than three times the business in an average mall store, where the figure tends to be closer to \$250 to \$300.

AIRPORTS FROM Heathrow in London to Pittsburgh International to La Guardia in New York to National have undergone major renovations in recent years in which the addition of stores has played a key role. Others, like Chicago's O'Hare, are following suit.

In Europe, airport stores traditionally have been oriented toward highly taxed goods such as liquor, cigarettes and perfumes. But much of this business will vanish when the 15-nation European Union abolishes duty free sales next summer.

As a result, shops in major European airports are becoming more like luxury stores, offering everything from photographic and electronic equipment to clothes and fashion accessories.

While most American retailers have mall life down to a science, though, they are finding that running a shop in an airport is another story entirely.

For one thing, airport rents are at least 20 percent higher, usually paid out as a percentage of sales. And shoppers are likely to spend only moments browsing.

"Airport retail is a tough business operationally," said Judith Byrd, a principal with Unison Consulting Group, an airport consultant



Passengers at Pittsburgh's airport have a wide and growing array of shops and food chains to pass while making their way to their planes.

in Chicago. "The hours are longer, the rents are higher. And you have to have an understanding of the market and airline passenger flows."

Many retailing problems are unique to airports, like how to get merchandise through customs and security and onto a selling floor that is almost half the size of a company's average store.

But others are similar to what every retailer faces, with some twists. Location is usually the

most important factor in a retailer's success, but with airport shops, location has as much to do with which airline a shop is parked next to as with what city the airport is in and which department store is nearby.

People who study airport retailing say the best-performing strips are in hub airports, where lots of passengers are changing planes and are thus forced to linger. Heavy international traffic

is a big plus. And it is always better to have the shops located after the security point.

"Everybody is in a rush to get to the airport," said Michael Bell, president of BAA PLC's American unit, which manages the shops at Pittsburgh airport. "Then they go through a number of hurdles. Check in, Security. The sight of the gate is when they are at ease. That is the moment when they have time to spend. So being closest to the gate is the prime location." At Pittsburgh, most stores are past security, in an area every passenger transits.

BUT NATIONAL in many ways provides a textbook example of an airport that is good for passengers but bad for merchants. The terminal, which was renovated in July, is full of escalators that lead right from the check-in areas on the upper level to the gates and baggage claim on lower levels. So passengers can easily bypass all the stores, which are mostly located before the security point. On top of that, most airline traffic at National is domestic, with few people changing planes.

The Nine West Group, which operates a variety of shoe stores, said it had done far better with its new fashion shoe store at the Pittsburgh airport than it has with its comfort shoe shop in Washington.

"Traffic in that store is average," said Jodi Fisher, a company spokesman. "It is not like the huge amount that we are experiencing in Pittsburgh. If we go into another airport, it will have to have a centralized shopping area."

Other retailers echoed a disappointment with National. "Is that terminal beautiful?" asked one retailer. "Absolutely. But it is poorly laid out. People are in and out, they are not there now, they have no time to hang out. We are not doing as well as anticipated."

Steve Johnson, the regional manager of Westfield Corp., which manages the retail leases there, said he was pleased with their performance. "So far we are meeting our projections," he said.

This Burger Comes With Fries and Signing Bonus

By Louis Uchitelle
New York Times Service

NEW YORK — Unable to hire enough teachers, the Dallas school board voted last month to lure them with \$1,500 signing bonuses. Corporate recruiters paid out much larger bonuses — averaging \$17,500 — to Cornell's business school graduates. Even Burger King has entered the bonus game, offering \$5,000 in some cities to hire away restaurant managers from rival fast-food chains.

The signing bonus is spreading in America and growing ever larger as employers bid for scarce workers. A recruiting tool that had been limited to upper-level managers, highly skilled technicians and athletes, it is spreading today to many others, even civil servants. The Labor Department, for example, is for the first time offering a bonus of up to \$4,000 to attract young economists.

The hiring bonus appears to be flourishing because employers, faced with the lowest unemployment rate in a quarter-century, have shifted some of the bargaining from wages to the less costly one-time payments. And job applicants, accepting the shift, often welcome the bonus as a windfall to pay off accumulated debt, or as a measure of their value — and status — in the eyes of their new employers.

One 30-year-old woman, recently hired as a consultant at Price Waterhouse, accepted the proffered \$85,000 salary without challenge, but balked at the \$5,000 signing bonus. "I barely had to say that \$5,000 was not enough, and they said, 'Fine, would \$10,000 make you happy?'" and I got that," she said.

The hiring bonus is just the latest tool that companies have turned to hold down wages. Others include profit sharing, flexible schedules, unit subsidies, stock options, health club memberships and performance bonuses in lieu of raises for those already on the payroll.

While wages are now rising a bit faster than they have in a decade, hiring bonuses are spreading across the work force — absorbing some of the pressure for still-greater income.

"Signing bonuses are certainly rising faster than starting salaries," said Stephen Johansson, director of career services at the Johnson Graduate School of Management at Cornell University. "It is much harder to raise the starting salaries because you end up having to pay people coming in the door more than those who have been there two or three years and have done well. Most companies have avoided raising wage scales."

The American Management Association, in a survey of its corporate members, found that 44 percent of the 344 who replied paid signing bonuses in the last year. That was up from 30

percent last spring, the first time the association even asked about the practice in its surveys.

"A lot of our clients offer the base pay up front, and then the bonus in a second interview as the kicker to get people in the door," said Jamie Hale, an executive at Watson Wyatt, the management consulting firm. "The bonuses range from 5 to 15 percent of a year's salary. In some cases, people have to pay them back if they leave within six months. But if you attach too many strings, the bonuses are not going to do what they are supposed to do, which is get people on board."

One measure of the popularity of the bonus is its spread over the last year to most fast-food companies. "If you are going to get good people, you have to take them from a competitor, and the way to get them is the bonus," said Anthony Austin, vice president for human resources at Burger King, a unit of Grand Metropolitan PLC.

Not that every Burger King employee gets one. Rarely are they disbursed in Montana, say, or in other places where unemployment is not so low. But in the tight labor markets of a Milwaukee or Tampa, Florida, the company finds itself paying a bonus of \$8,000 to \$10,000 to recruit a \$50,000-a-year area manager and \$3,000 to \$5,000 to win someone to a \$25,000-a-year job as a restaurant manager.

"Someone else will pay the bonus if you don't," Mr. Austin said.

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"A lot of our clients offer the base pay up front, and then the bonus in a second interview as the kicker to get people in the door," said Jamie Hale, an executive at Watson Wyatt, the management consulting firm. "The bonuses range from 5 to 15 percent of a year's salary. In some cases, people have to pay them back if they leave within six months. But if you attach too many strings, the bonuses are not going to do what they are supposed to do, which is get people on board."

One measure of the popularity of the bonus is its spread over the last year to most fast-food companies. "If you are going to get good people, you have to take them from a competitor, and the way to get them is the bonus," said Anthony Austin, vice president for human resources at Burger King, a unit of Grand Metropolitan PLC.

Not that every Burger King employee gets one. Rarely are they disbursed in Montana, say, or in other places where unemployment is not so low. But in the tight labor markets of a Milwaukee or Tampa, Florida, the company finds itself paying a bonus of \$8,000 to \$10,000 to recruit a \$50,000-a-year area manager and \$3,000 to \$5,000 to win someone to a \$25,000-a-year job as a restaurant manager.

"Someone else will pay the bonus if you don't," Mr. Austin said.

percent last spring, the first time the association even asked about the practice in its surveys.

THE AMERICAS

Billionaire Gave Big Grant to Anti-Clinton GroupBy David Segal
Washington Post Service

WASHINGTON — Richard Mellon Scaife, the Pittsburgh billionaire whose foundations have bankrolled an array of activities opposing President Bill Clinton, gave one of his largest grants last year to Judicial Watch, the conservative group suing the Clinton administration in 18 separate matters, newly released records show.

Mr. Scaife gave Judicial Watch \$550,000, according to documents disclosed by the Carthage Foundation, one of four philanthropies underwritten by Mr. Scaife. That sum is more than nine times as large as the \$60,000 in outside contributions Judicial Watch said it

received in 1996. "It's a minority of our support and we're very proud to receive it," the founder and president of Judicial Watch, Larry Klayman, said Tuesday before declined to comment further. In a recent interview, he would not confirm the Scaife grant and deflected questions about financing.

Mr. Scaife's foundations last year gave away \$25 million to conservative groups as well as academic institutions such as Boston University and Carnegie Mellon University.

The scion of the Mellon banking family, Mr. Scaife has become a major financial resource for those eager to probe Clinton administration controversies, from the Monica Lewinsky case to the death of Vincent Foster, the White House deputy counsel.

The independent counsel, Kenneth Starr, had once planned to accept a Scaife foundation-financed deanship at Pepperdine University, leading Clinton allies to criticize the prosecutor's conservative movement ties.

The recipient of the largest single Scaife grant last year — for \$1.5 million — was the Free Congress Research and Education Foundation Inc., a think tank run by the conservative activist Paul Weyrich. Free Congress is part owner of America's Voice, a TV network formerly known as National Entertainment Television.

The American Spectator magazine took in nearly \$1 million last year from two Scaife foundations: Carthage and the Sarah Sarah Foundation. Part of that money paid for the so-

called Arkansas Project, an investigation of alleged Clinton skullduggery in the president's home state. The project was criticized by several Spectator staffers and has given rise to an investigation into whether some Scaife money improperly went to pay a key Starr witness.

But the financial relationship between the magazine and Mr. Scaife's foundations is over.

"Let's just say that the Spectator had Scaife foundation money in the past," but that the foundations "decided to quit contributing this year," said its publisher, Terry Eastland.

Scaife foundation officials did not return telephone calls asking about Judicial Watch donations.

Wives Should 'Submit,' Baptists SayBy Gustav Niebuhr
New York Times Service

Paige Patterson and his wife, Dorothy, attending the Southern Baptist convention in Salt Lake City, where he was elected president of the group, the largest Protestant denomination in the United States.

End Is Near, Orlando Hears Policies on Gays and Flags Have Landed City in Big Trouble, Religious Broadcaster WarnsBy Thomas B. Edsall
Washington Post Service

WASHINGTON — The religious broadcaster Pat Robertson has warned the city of Orlando, Florida, that it risks hurricanes, earthquakes and terrorist bombs by allowing gay organizations to put up rainbow flags in support of sexual diversity.

The Apostle Paul made it abundantly clear in the Book of Romans that the acceptance of homosexuality is the last step in the decline of Gentile civilization," Mr. Robertson told viewers of "The 700 Club" on Monday after a news report on "gay days" at Walt Disney World and the debate in Orlando on the decision to display the flags on streetlamp poles.

"I would warn Orlando that you're right in the way of some serious hurricanes, and I don't think I'd be waving those flags in God's face if I were you," Mr. Robertson said. "This is not a message of hate; this is a message of redemption. But a condition like this will bring about the destruction of your nation. It'll bring about terrorist bombs; it'll bring earthquakes, tornadoes and possibly a meteor."

The text of Mr. Robertson's com-

ments was distributed by Americans United for Separation of Church and State, a group critical of many of Mr. Robertson's policies and comments.

Patty Silverman, a Christian Broadcasting Network spokeswoman, confirmed the accuracy of the transcript.

Jim DeSimone, communications director for Orlando's mayor, Glenda Hood, called the CBN news report that preceded Mr. Robertson's statements "fair." Mr. Robertson's "comments went beyond the factual issues and really talked about the possibility of God's wrath, and I just don't have any comment on that," Mr. DeSimone said. "That is clearly his right to have that opinion, and we just hope he is wrong."

Mr. DeSimone said city policy called for granting approval of requests to display flags to groups that pay the costs, do not advertise products and are open to the public. The gay groups met these requirements, he said.

Mr. Robertson said that his words reflected biblical truth and were not just an expression of his opinion. Anticipating criticism, he said, "I'm quoting the Apostle Paul now, so when you write your editorials, Mr. Editors, please remember who you're quoting."

other riches. But two years later the surviving soldiers, sailors and artisans left, desolate, empty-handed and banished by a hurricane. In November 1698 came a new expedition, which built a permanent settlement to help protect Spanish ships. "They were scared to death that either the French or the English were going to come in and occupy one of the ports on the northern Gulf Coast," giving them a base from which to attack the Spanish treasure fleet, said Bill Coker, a local historian.

The city (the name Pensacola, from an Indian word for "long-haired," came later) this week opened a year-long festival to celebrate that second founding. Prime Minister Jose Marie Aznar of Spain was scheduled to take part.

Faced by miles of Atlantic beaches and empty chairs, New York City is trying to hire lifeguards from the West Coast. Only 400 of 1,200 positions have been filled so far, forgoing portions of some beaches to close, reports the Los Angeles Times.

"We do not have the pool culture and the beach culture that we had in the '50s, when every kid wanted to be a lifeguard," said Henry Stern, New York commissioner of parks and recreation.

An appeal by the actors Michael Bergin and Angelina Barnes of the beach-based television series "Baywatch" brought 300 applicants, but fewer than 10 percent passed the swimming test.

Thus, Mr. Stern said, the call to California: "We are saying: Go east, young man or young woman. Spend the summer in New York. Spend the summer on the Atlantic. The surf may not be as good, but the ground is solid and doesn't shake."

A Wall Street executive, Alan Greenberg, read recently that some insurance companies were denying patients the impotence drug Viagra because of its cost. So Mr. Greenberg, chairman of Bear Stearns, has donated \$1 million to a New York hospital to buy the drug for men who cannot afford it. The New York Times reported. "I think it's something that will give a lot of pleasure to a lot of people," said Mr. Greenberg. Commented a hospital official: "It's an unusual bequest."

AMERICAN TOPICS**No, TV Land Is Not Like Life (The Proof Is in the Numbers)**

Some skeptical Americans have long harbored suspicions that Television Land was not an entirely accurate reflection of reality. MTV, for example, thinks "The Real World" is young people with few visible means of support living in luxurious decorator apartments and just talking. But a study documents just how large the reality gap is.

In television land, work and family rarely clash, child care is a breeze and hardly anyone gets old, according to an analysis of prime-time TV by a group called the National Partnership for Women & Families. "The conflicts and compromises that shape so many Americans' lives," said Judith Lichterman, president of the group, "do not affect TV women or men."

Only 13 out of 150 series episodes or TV movies studied by University of Washington researchers portrayed a character dealing with the stress of reconciling job and family life.

Other findings: Thirty-four percent of TV mothers work for pay, compared with 57 percent of American mothers; only 15 percent of 820 adult TV characters were parents of minor children, compared with 32 percent of the U.S. population; 26 of the 820 adult TV characters had responsibility for an adult relative, whereas the real ratio is eight times higher, and 14 percent of adult TV characters are over 50, compared with 38 percent of the U.S. population.

Stephanie Coontz, author of "The Way We Really Are: Coming to Terms With America's Changing Families," suggested that television executives might be somewhat removed from problems faced by many Americans.

Short Takes

The Spanish first came to what is now Pensacola, Florida, in 1559, seeking gold and

Brian Knowlton

POLITICAL NOTES**State Electoral Lineups Set**

LITTLE ROCK, Arkansas — Claiming leadership of a state party weakened by scandal and Bill Clinton's departure for the White House, Blanche Lincoln prevailed in a runoff to win the Democratic nomination for Arkansas' open U.S. Senate seat.

Ms. Lincoln defeated Attorney General Winston Bryant. In November's general election to replace Dale Bumpers, who is retiring after 24 years, Ms. Lincoln will face Fay Boozman, a Republican state senator, and Charley Heffley, the Reform Party candidate.

Also Tuesday, there were primaries in North Dakota, Virginia, Maine and South Carolina. These were among the results:

• In South Carolina, Rep. Bob Inglis, 38, won 75 percent of the vote to easily defeat former Republican county chairman Stephen Brown for the right to challenge Democratic Senator Ernest (Fritz) Hollings, who is seeking his sixth full term. Mr. Hollings, 76, was unopposed for his party's nomination.

Governor David Beasley, seeking his second term, easily won the Republican nomination. The Democratic candidate is Jim Hodges, a former state legislator.

• In North Dakota, Republicans chose Donna Nalewaja, a state senator, to challenge the incumbent Democratic senator, Byron Dorgan. Mr. Nalewaja won 67 percent of the vote in cruising to the nomination over Larry Solar, a farmer who had 32 percent.

• In Maine, the two major parties selected nominees to oppose Governor Angus King, a popular independent. The Democrats chose Thomas Connolly, a lawyer, with 81 percent of the vote. The Republicans nominated James Longley Jr., a former congressman, who won 63 percent of the vote.

• In Virginia's lone contested congressional race, a former teacher and nurse, Demaris Miller, won the Republican nomination to challenge Representative Jim Moran, a Democrat. She got 55 percent of the vote to Chuck Carlton's 45 percent. (AP)

Black's Man Death On Texas Backroad 3 Whites Charged in Brutal MurderBy Sue Anne Pressley
Washington Post Service

AUSTIN, Texas — The torn and battered body of James Byrd Jr., 49, was discovered Sunday morning in a wooded area of Jasper County about 100 miles northeast of Houston; the head and right arm were missing.

Later, the head and arm were found a mile away on an isolated road, according to Jasper County Sheriff Billy Rowles.

Mr. Byrd, who suffered from what his sister described as a seizure disorder and did not drive, was last seen alive late Saturday walking home from a friend's anniversary party, his relatives said.

Three white men, two of them former cellmates sporting white supremacist tattoos, have been arrested, accused of chaining Mr. Byrd, who is black, to the back of their pickup truck and dragging him to his death along a two-mile stretch of the rough dirt road in the wooded flatlands of eastern Texas.

Charged Tuesday with the murder were Shawn Allen Berry, 23, of Jasper; Lawrence Russell Brewer, 31, of Sulphur Springs, 50 miles east of Dallas, and John William King, 23, of Jasper.

The sheriff said Mr. Brewer and Mr. King, who had been cellmates in a Texas prison, have tattoos that affiliate them with white supremacist groups. The two had picked up Mr. Berry, an apparent friend who also has served time in prison, at his job at a movie theater.

"It has been indicated to us that these guys, while they were in prison, were part of the Aryan Nation or the Ku Klux Klan," Sheriff Rowles said at a news conference.

Don Clark, special agent in charge of the Houston office of the FBI, said the bureau was assisting in the investigation because of "the extreme circumstances" of the case. If it is determined the slaying was a hate crime, federal charges could be filed.

Mr. Byrd's family said that they did not know the three suspects and had never heard the victim mention them. However, Sheriff Rowles said Mr. Byrd may have been acquainted with one of the men.

Away From Politics

• The death toll in a grain elevator explosion in Haysville, Kansas, rose to four with the discovery of a body and the confirmation of remains of another victim. Hopes for finding two missing workers alive were slim. (AP)

• Tenants who refused to pay the rent at an apartment where smoke seeps in from a bar downstairs cannot be evicted and the landlord must stop the smoke from getting in, a housing court judge ruled in Boston. (AP)

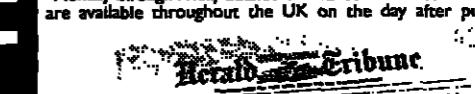
• An accident victim was trapped upside down in his car in a drainage ditch four days before he was discovered in Rancho Cucamonga, California. David Villagomez was in critical condition in a hospital. (AP)

• David Loomis Cargill, 39, who shot and killed a couple in a gas station robbery — making orphans of four children ages 2 to 10 — was executed in the state's electric chair at Jackson, Georgia. He had asked forgiveness. (AP)

• Four people protesting alleged death squads were arrested at the UN in New York and charged with pelting the Iranian foreign minister, Kamal Kharrizi, with eggs. (AP)

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INTERNATIONAL

Kazakhs Raise the Curtain on Remote New Capital, but Many Wonder Why

By Peter S. Green
International Herald Tribune

ASTANA. Kazakhstan — Free hands were hard to find in Kazakhstan's new capital on Wednesday, in the hours before it was officially offered to the nation by President Nursultan Nazarbayev.

In a race to the finish, work crews painted, hammered and put the finishing touches on the capital's new buildings and more numerous new facades for old buildings before the "Presentation."

In slippers and a purple housecoat, Rosa Asylbekova supervised a crew of fellow curators on the eve of the ceremony as they scrubbed the last bits of paint from the parquet floor of the Sakim Ceifulin Museum.

A huge mural depicting the life and times of a Kazakh native writer hung nearly finished on the wall behind her. "We are opening at 2 o'clock tomorrow, and we have to be done," she said, stealing a few minutes to talk to visitors.

With his country sitting on the world's sixth-largest reserves of oil and natural gas, Mr. Nazarbayev decreed that its capital would be moved from the broad, leafy streets of Almaty, in the lee of the majestic Tien Shien Mountains, to the broad and sleepy streets of this much smaller former provincial seat in the

middle of the vast Central Asian steppe, then known as Akhmeta, a Kazakh name meaning "White Tombstone."

That name had replaced the Soviet-era name of Tseliagrad, named for a costly 1950's Stalinist effort to plow up and stipe for wheat.

When building crews were unable to finish key buildings by December, Mr. Nazarbayev declared Akhmeta the capital anyway, and announced that he would present it to the nation whenever construction was finished.

In a four-month spurt of round-the-clock construction, tens of thousands of workers, many of them expensive but skilled foreign crews, paved the roads, bricked the sidewalks, laid the water and telephone lines and built the infrastructure of the capital, at a cost so far that local officials estimate at nearly \$500 million.

On Wednesday, with the paint barely dry, the capital, now called Astana ("Capital" in Kazakh), was presented with spectacular fireworks and a televised spectacle called "Astana, the Heart of the Country. Now and for Centuries," attended by neighboring heads of state who were on hand for a symbolic summit of Turkic states.

Redolent of North Korea's set-piece drill extravaganzas, it saw thousands of marchers in colored outfits hold up colored

squares to form vast tableau melding from Mr. Nazarbayev's portrait to a "No Smoking" sign a key part of the president's "Kazakhstan 2030" blueprint.

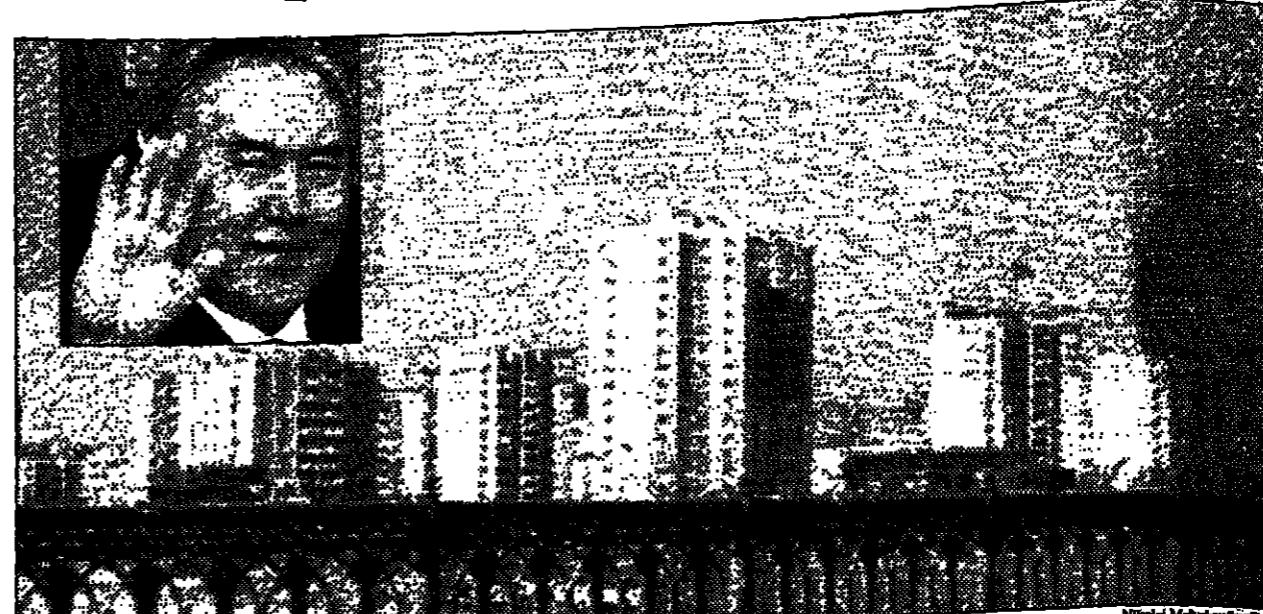
Mr. Nazarbayev is vague on his reasons for moving the capital, but he insists the final billion-dollar price tag is not beyond Kazakhstan's reach, even though the petrodollars have yet to flow in and the country is living on oil-lease down payments, privatization receipts and what diplomats say is a mass of money from smuggling drugs westward and weapons eastward.

"This is not about the ambitions of any one person," Mr. Nazarbayev said in an interview last week. "We are the ninth largest country in the world, and the capital of such a huge country should be in the center of its territory, not on the edge. Why wait when we could settle this problem at the very beginning?"

His critics call it a monument to the president's own ego, but Astana is hardly the stately pleasure dome that an earlier potentate of the steppe, Kublai Khan, might have decreed. It lies 500 miles (800 kilometers) along a bad road, or a hair-raising two-hour flight on Soviet-built Antonov propeller planes from Almaty, the former capital.

The train means a numbing ride of 22 hours.

Open to the elements on all sides, it



Natalia Melnikova/The Associated Press
Astana, founded in 1830 as a Cossack fortress, is President Nursultan Nazarbayev's dream city in the steppe.

gets blisteringly hot in summer, when residents complain that swarms of mosquitoes descend on the town. In winter, fiercely cold winds roar through the town.

In the center of the town, old Soviet-style buildings have been renovated

to create the apparatus of government.

While President Nazarbayev intends the city to represent what he called in one speech "the new face of Kazakhstan," its grandiose squares with their soulless government buildings hark back to the work of Soviet-era buildings.

Astana also recalls an earlier era in Russian history. A stroll along Republic Prospekt reveals why locals have dubbed it Potemkin Prospekt. Many painted facades are really colored aluminum siding quickly fixed in place to hide the crumbling plaster and brick work of Soviet-era buildings.

The marble facing for other buildings has yet to be put in place and other buildings, including the National Library, received a steam cleaning, a smoked-glass facade and little more.

While the city is clearly a hit with the thousands of Astana residents who were strolling in their finery along the newly paved boulevards Tuesday night, it's not clear when Astana will be completed and if the construction will slow down again once the visitors leave.

Nor is it clear just when the capital will really become the heart of Kazakhstan. Apart from a few neighboring states, almost no foreign embassies are planning to move to Astana.

Publicly, Kazakh officials say Almaty's many disadvantages — it's polluted, prone to earthquakes, and it sits just 160 kilometers (100 miles) from the Chinese border — make the move necessary.

Privately, they con cede that in part the move is designed to inject a stronger ethnic Kazakh presence into a region that is heavily populated by a large ethnic Russian minority.

Like many other ethnic Russians in the new capital, Galina Zheronikova says she fears the quiet resurgence of Kazakh nationalism that has come along with the bureaucrats and officials of newly independent Kazakhstan.

"For us, Tselinograd was the best name when we began to grow wheat on the steppes," she said.

Now, Tselinograd is Astana and the streets are renamed for Kazakh heroes.

Despite holding Kazakh citizenship, she fears that unless she and other Russians learn to speak Kazakh, they will be forced out of their jobs and perhaps their homes.

"There's no future for Russians here," she said. "The Kazakhs from the towns and villages come to the big cities, and get the jobs."

Not only the ethnic Russians are worried. After a lengthy discussion of his plans to turn Astana into a transportation hub on the old Silk Road that linked China with Istanbul, the chief architect, Bair Doshmagenbetov, expounded his vision of transforming Astana into the manufacturing and transportation hub of the Silk Road, with floods of new apartments and office buildings for Astana's residents.

KOSOVO: Pressure on Serbs

Continued from Page 1

Ismat who participated in the talks on Kosovo, said that Russia joined the five other countries Wednesday in not excluding the possibility that military measures might have to be considered.

Foreign Minister Yevgeni Primakov will meet with Secretary of State Madeleine Albright and other NATO foreign ministers Friday in London, and the group is expected to issue a set of international demands to Serbia to stop the military moves in Kosovo and to resume face-to-face talks on a political settlement with the ethnic Albanian leadership there under Ibrahim Rugova, Mr. Blot said.

Reflecting German concerns about the increasing flow of ethnic Albanian refugees from Kosovo into Germany, officials in Paris said that the European Union would be asked to come up with immediate proposals for channeling and handling the flow.

"Time is of the essence to produce a political settlement," Mr. Blot said.

"There is no difference of opinion among the countries involved as to the analysis of the situation and of who is primarily responsible for it."

■ Bonn Wants Mandate

Germany has made it clear that it would not support any military intervention in Yugoslavia's separatist republic of Kosovo without a UN mandate. The Associated Press reported Wednesday from Bonn.

In response to a reporter's question,

the government spokesman, Otto Haesler, said that without such a mandate, Germany would not support such an intervention even in the event of an "emergency."

NATO defense ministers were to meet in Brussels on Thursday and Friday to consider military options, expected to include direct intervention to stop violence between Serbian forces and separatist ethnic Albanians.



Ramón Llull/The Associated Press
Ethnic Albanians protesting in Pristina, the capital of Kosovo, on Wednesday, demanding that NATO send troops to the Serbian province.

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Lagos Junta Warns Opposition

Army Calls on Groups to Cancel Protests Against New Ruler

Courtesy of Our Staff From Dispatches

RAPES: Jakarta Rioters Targeted Chinese

Continued from Page 1

that increasing evidence suggests that organized groups were involved in instigating attacks of arson and vandalism aimed largely at Chinese neighborhoods during the rioting.

This evidence is based on reports that groups of men arrived simultaneously at various targets in the city with gasoline bombs and other weapons and initiated the violence.

Albert Hasibuan, a member of the National Commission on Human Rights, said human rights workers had talked with a participant in the riots who said he had been recruited, briefed, paid and transported by unidentified men, who provided him and others with stones and gasoline bombs. The commission is the official government human-rights monitoring agency, but since its formation in 1996 it has often been critical of the government.

Rights groups have reported similar suspicions about reported instigators of the looting and arson, who traveled in groups through the city in vehicles.

Mr. Hasibuan's group reported last week that at least 1,188 people had died in the rioting in Jakarta and that 40 large shopping centers, 4,083 shops and 1,026 private homes had been attacked, burned or looted.

Lieutenant Colonel Iman Haryana, the central Jakarta police chief, has told reporters that victims are welcome to come forward but that the police had yet to receive any reports of assaults on women during the riots.

Miss Ida said that three weeks after the riots, it is still very difficult to approach the victims of rapes and harassment "because their trauma is very deep."

Slowly and painfully, she and other counselors have compiled the accounts.

Miss Ida told of a Chinese woman who hid in her house with her two younger sisters as rioters neared. About 10 men came into the house and found the sisters on the third floor. They made the two younger women take off their clothes and told the older sister to stand in a corner, "because you are too old for us."

Meanwhile, arsonists entered the lower floor and set fire to the building. "After they had raped her two sisters, the two men said to her, 'We are finished and we are satisfied and because you are too old and ugly we weren't interested in you.' So they took her two sisters and pushed them to the ground floor where there was already fire, and they were killed."

"When her mother heard the news, she had a heart attack and died," Miss Ida said. "So now this woman is in a psychiatric hospital. Sometimes she cries when she tells the story and sometimes she is normal again. That is one of the stories we have confirmed."

THE GREAT WALL OF ASIA

By Alan Trachtenberg

THE old-timers tournament

Guildford Park, 1929 and won

ten figure, George H. Martin, almost always been

Manhattan and

This year he

alone failed to win

Stamford, Connecticut, and

engaged in

and Victor King, formerly of Canada, New Jersey, the

now deceased, the

events in the

EU Recom

human rights than did General Abacha.

On Tuesday, the United States said it saw General Abubakar as more likely than General Abacha to lead the political transition to civilian rule in Nigeria.

The human-rights coalition, which includes 45 pro-democracy organizations, demanded Chief Abiola's release from detention to allow him to form a national unity government.

"The key to the solution of Nigeria's problems is Abiola, that's why we want him released," Mr. Fawehini said. "If Abiola dies, Nigeria dies."

General Abubakar has vowed to go ahead with the military's plan to return power to civilians, but failed to address key issues such as political prisoners.

In his first public address since becoming president, General Abubakar said the regime was "fully committed" to a political transition. (Reuters, AFP)

Lagos and southwestern Nigeria have been strongholds of the opposition to military rule since the 1993 election, which Chief Moshood Abiola, a businessman, appeared to have won. Chief Abiola has been held in prison since 1994 for declaring himself president.

The protests were planned before General Abacha's death Monday, but opposition groups have dismissed General Abubakar as no better than his predecessor.

Lagos and southwestern Nigeria have been strongholds of the opposition to military rule since the 1993 election, which Chief Moshood Abiola, a businessman, appeared to have won. Chief Abiola has been held in prison since 1994 for declaring himself president.

On Wednesday, a Nigerian opposition coalition urged the international community not to recognize General Abubakar, and to impose full-fledged sanctions on his regime.

He added: "I don't care if it's armed or unarmed; any activity of Hamas will be an obstacle to the peace process."

Sheikh Yassin was freed from Israeli prison last fall, after eight years of detention, at the demand of King Hussein of Jordan in return for the release of Israeli agents who tried to kill the Hamas political chief Khaled Meshal. The assassination attempt ended up in Jordanian custody, and Israel faced the choice either of forfeiting its cooperative relations with

Jordan or releasing Sheikh Yassin from custody. Sheikh Yassin was freed.

Created in Gaza as a hero, Sheikh Yassin made Mr. Arafat uncomfortable from the start. As a sworn enemy of the Oslo peace accords and the Middle East peace process, which he regards as a sellout of Palestinians' national aspirations, Sheikh Yassin posed a creeping internal challenge to Mr. Arafat's rule.

His popularity, although still just a fraction of Mr. Arafat's, has edged up as peace talks have faltered over the last 15 months and Palestinian frustrations have mounted. More than 8 percent of Palestinians are now willing to tell pollsters that Sheikh Yassin is the political figure they trust the most, up from 5 percent last fall.

At the same time, Mr. Arafat's public standing, which is closely tied to the peace process, is tumbling. While he remains firmly in command of Palestinian politics, just 38 percent of Palestinians now call him their most trusted politician, down from 46 percent last fall.

That shifting political equation, and the fading fortunes of the peace process,

evidently convinced Sheikh Yassin that the time was right to launch his tour of Arab states and Iran.

He was warmly greeted in Arab countries seeking to appear their own growing Islamic movements, like Saudi Arabia and the United Arab Emirates.

In other countries he received gushing expressions of support and admiration from Arab potentates who

Many Wonder

EUROPE

EU Recommends Lifting Ban on British Beef

By Tom Buerk
International Herald Tribune

LONDON — The European Commission recommended Wednesday lifting the ban on British beef exports that was imposed two years ago in the "mad cow" disease crisis, a move that would patch up one of Britain's worst disputes with its European partners and hold out the promise of relief to the country's long-suffering meat industry.

The recommendation faces a lengthy approval process by the 15 member states of the European Union, and it could be six months or more before British beef and veal is back on store shelves and menus in Europe and around the world. But the announcement by the commission, the EU's executive body, offered Prime Minister Tony Blair one of the most tangible benefits yet of his government's constructive stance toward its European partners.

Agriculture Minister Jack Cunningham wel-

comed the announcement, saying "it vindicates the positive, constructive and open approach we have taken on BSE in our relations with all the institutions of the European Union." A spokesman for Britain's Meat and Livestock Commission, an industry body, also welcomed the announcement although he acknowledged that it would take Britain a long time to regain export markets that were worth £625 million (\$1.02 billion) a year.

The EU imposed a worldwide ban on British beef exports in March 1996 after Britain announced a possible link between bovine spongiform encephalopathy, or "mad cow" disease, and the fatal human brain condition Creutzfeldt-Jakob disease.

The Conservative government of then-Prime Minister John Major pushed the issue to a crisis point, blocking dozens of EU decisions until leaders agreed in June 1996 to procedures whereby the ban would be lifted in stages if Britain could prove its meat was safe.

Since then, Britain has spent nearly £4 billion to slaughter more than 2.3 million animals deemed at risk of developing BSE; adopted a passport program to identify animals and trace them through the production process, and tightened up measures to ensure that the meat and bone meal suspected of spreading BSE were removed from the food chain.

The commission recommended that Britain be allowed to export meat from animals born after August 1, 1996, when its feed ban and passport program were in place.

The recommendation will be studied by the EU's standing veterinary committee at a special meeting Friday, and, in theory, a decision could be taken by the committee the following week or by EU farm ministers at a meeting beginning June 22. But a number of countries are likely to draw out the approvals process because of past problems with British compliance and doubts about the reaction of their own consumers.

A Power Struggle Rocks Westminster Abbey

By Sarah Lyall
New York Times Service

LONDON — Time moves slowly at Westminster Abbey, a church of high Anglican solemnity whose first inhabitant, King Edward the Confessor, has been resting in his tomb there for 900 years.

But when the Very Reverend Westley Carr took over as dean in February 1997, it was as if a high-speed cheetah had careered into a field of stately, shuffling sheep. Quickly putting into place changes that had been discussed for some time, Mr. Carr embarked on a program called "Recovering the Calm," which sought to control the abbey's increasingly unruly crowds of tourists but which threw the church into an un-calm tizzy.

While the church began charging nonworshippers an \$8 entrance fee, the new dean supervised the installation of closed-circuit television cameras; decreed that tour groups could have no more than 26 tourists, down from 50, and helped set up a one-way system to prod visitors into proceeding in an orderly fashion.

And, in a move that reportedly left some elderly people in tears, he told the church's volunteers that starting next year, they would have to retire at 75.

But it was when Mr. Carr made his next move — to suspend and then dismiss Martin Neary, the abbey's popular, distinguished and impeccably well-connected organist and master of the choristers — that he set in motion a dispute that has reverberated far beyond the church walls.

It is a tale straight out of an An-

Unholy Row After Dean Fires Organist

thony Trollope novel, but with all the elements of a timeless power struggle: charges of financial impropriety, accusations of bullying and jealous high-handedness, even appeals to royalty.

On one side is the dean, who, with his four canons, runs perhaps the highest-profile church in England. Styled a "Royal Peculiar" because it is directly under the queen's jurisdiction, the abbey is the church where monarchs are crowned; where the funeral of Diana, the Princess of Wales, was held and where Dickens, Chaucer, Tennyson and others are buried.

On the other side is Mr. Neary, internationally known musician, two-time president of the Royal College of Organists and, since 1988, holder of a position once occupied by Henry Purcell. Mr. Neary's fight to get his job back is being supported by an extraordinary group of establishment figures, including former Prime Minister Edward Heath; the composer John Taverner; a number of members of the House of Lords; John Gummer, a former cabinet minister, and Frank Field, the minister for welfare reform, who was recently moved to declare that the dean was "nothing but a bully" who had left Mr. Neary "dangling on a meat wire."

Money is behind the current dispute, which has at its heart a company established by Mr. Neary and his wife, Penny, the concert secretary, to handle the church choir's contracts and tours. The Nearys said that they had set up the company on the advice

of accountants, that it had saved the abbey money and that they had never tried to hide its existence. But Mr. Carr — backed by the abbey's canons — said that the company represented a conflict of interest and that it had unethically paid Mrs. Neary a \$2,400 "fixing fee" for organizing tours and the like.

"It is not the amounts of money that matter, but the lack of openness and the loss of trust," Mr. Carr told *The Daily Telegraph*.

So the dean dismissed the Nearys on the Thursday before Easter Sunday, reportedly rebuffing the services of a number of high-placed would-be mediators, including Lord Weatherill, former speaker of the House of Commons, and forcing the summary cancellation of the abbey's Easter concert.

The Nearys denied all the charges. "It's like suggesting Mother Teresa had run off with the community chest," one of their supporters said — and they appealed the decision. In a sign of the gravity of the matter, the case is to be heard by the lord chancellor himself, Britain's top legal official. If the Nearys should be reinstated, the dean might feel little choice but to resign.

The dean, 56 and previously the dean of Bristol Cathedral, is no longer speaking to reporters. "He is trying to maintain dignified silence," said Emma St. John-Smith, a spokeswoman for the abbey.

Mr. Neary's supporters have de-
judged *The Times* of London with fur-

ous letters, organized a fund that has raised more than \$80,000 to help pay the Nearys' legal expenses and told anyone who will listen that Mr. Carr has a history of high-handed behavior.

"He's narcissistic and he has a need to put his finger in every single pie there is," said Alan Taylor, who was recently dismissed from his non-paying position at the abbey when, he said, he criticized the dean to reporters. "The man sees himself as God's adviser."

"The dean is a virtual dictator," said Sir Bryan Thwaites, a retired mathematics professor who has been friends with Mr. Neary for more than 30 years and who convenes the Martin Neary Support Group. "For reasons which are totally unfathomable, he decided to sack Martin Neary. I am a man of very considerable experience in high management affairs, and it struck me as being absolutely absurd."

But Miss St. John-Smith said the Nearys' supporters were being unfair.

"They keep talking about the 'dreadful dean,' which he isn't," she said. "He's not a bully. He's a very direct person, very humorous — perhaps quite a decisive person. Some people perhaps find his style a bit sharp."

"This is a straight employment dispute," she added. "The dean and chapter followed to the letter the requirements of this country's employment legislation. Had this been any other organization, chances are this would have been a two-day wonder."



Horst Winkelmann, German envoy, leaving his residence near Minsk on Monday.

Belarus to Wait a Week On Evictions of Envoys

MINSK, Belarus — Belarus vowed

Wednesday to go ahead with plans to evict about 20 ambassadors from their residences, although it will delay the move by a week.

A Foreign Ministry spokesman stressed that the evictions had been delayed, not canceled. Belarus has said the evictions are necessary so renovation work can be done on the diplomats' homes.

Foreign Minister Ivan Antonovich met the U.S. ambassador, Daniel Speckhard, Tuesday evening and reiterated the need for the evictions to go ahead.

On Monday, Mr. Speckhard described the action as "without precedent since the Cold War" and said it constituted a violation of the Vienna Convention. About a dozen ambassadors are contesting the eviction plan.

recognize the 1915 deaths of Armenians as genocide, a French diplomat here announced.

Officials from Turkey's Foreign and Defense ministries declined to confirm the suspension of the deal for the shoulder-launched, anti-tank system.

Last month, the French National Assembly adopted a bill stating: "France publicly recognizes the Armenian genocide of 1915."

The bill is to be discussed this month in the Senate.

Armenians say Turks killed 1.5 million of their people. Ankara says thousands of Turks and Armenians died in 1915 fighting in what is now eastern Turkey. (Reuters)

Cyprus Defense System To Be Tested in Russia

MOSCOW — Cyprus will test its new air defense system in Russia later this month, the Russian air force commander, Anatoli Kornukov, said Wednesday.

Turkey has threatened to use force to stop deployment.

The commander told reporters that Cyprus was scheduled to test the system at a base near Astrakhan, the Interfax press agency reported. He said officials would decide late this summer on whether to deliver the system.

(AP)

BOOKS

THE GREAT HILL STATIONS OF ASIA

By Barbara Crossette. Illustrated.
259 pages. \$28. Westview Press.

Reviewed by Alexander Frater

THE first Europeans to reach India were bewitched by its beauty and strangeness but shocked by its climate. In 1690 an English clergyman, James Ovington, noted that few survived more than a couple of monsoon rainy seasons. "Two monsoons are the Age of Man." A century later officials recorded the life expectancy for a European male as 31, for a female 28. Then, without knowing why — 6,000 feet (1,800 meters) is the ceiling of the malaria-bearing anopheline mosquito — people realized health lay high in the hills, so when the soaking, febrile heat of summer began stealing across the plains, the viceroy himself led the exodus.

For several months, ruling India from above the clouds, they enjoyed the luxury of sleeping under blankets, attended "ball after ball, each followed by a little backbiting," and built towns complete with tearooms, clubs, honeysuckle-framed cottages and pretty steepled churches. Though hill stations were a British-Indian innovation (96 of them went up), they soon began appearing in Indonesia, Burma, Sri Lanka, Malaysia, the Philippines, even Vietnam.

Barbara Crossette, the United Nations bureau chief for The New York Times, has reported extensively from the area and in 1996, while traveling through the uplands of Indonesian Sumatra, hit on the idea of making a high-altitude circuit through eight countries. Though she calls the result "only a travel book," "The Great Hill Stations of Asia" should be required reading for anyone contemplating an Asian journey; the region's history, politics, religion and economics are brilliantly summarized in a

series of crisp, scholarly briefings. Yet she also maintains a lively social curiosity: She finds the Vietnamese "warm, inquisitive, generous people who want to draw an outsider into whatever activity is at hand," while Burma, despite its evil administration, remains a country "blessed by nature, where there are always things to eat or sell and the means to live in dignity."

Of the 18 hill stations she visited, two had American connections. Kodaikanal was founded as a summer retreat in 1845 by American missionaries 7,000 feet up in southern India's Palm Hills. Though the first church — roofed with Huntley and Palmer biscuit tins — was flattened by a mountain storm, the schoolhouse grew into the famous Kodaikanal International School, still unequivocally American in its style and curriculum. Today, in season, up to 10,000 Indian tourists are bussed daily into Kodaikanal — a reminder that Asia's hill stations, far from being derided as crumbling colonial relics, are enjoying a reincarnatory boom as Asia's prosperous postcolonial middle classes swarm upward to enjoy cool air and mountain scenery.

Until the United States ceded it to the Philippines in 1991, the Club John Hay at Baguio, its cultural roots in the Poconos or upstate New York, was the only American hill station in Asia established for expatriates. Even as Crossette explored this quiet and beautiful spot, walked the gardens and visited "the silly little Cemetery of Negativism, where earnest Americans 'buried' bad things like sloth and mendacity," she knew the new tenants had plans for a luxury hotel, shopping mall and championship golf course.

Many young Asians, furiously building for the future, display a curious lack of interest in the past; for them Year 1 of the new millennium started on the day they kicked out their foreign oppressors.

This makes historical research chancy. She found bookshops and libraries in the

hill stations largely bereft of material,

though in Sri Lanka's Nuwara Eliya, set among tea plantations, she got lucky and tracked down a reluctant 95-year-old historian.

Crossette has a weakness for hotels and writes about them at length, here complaining about the service, there the state in which previous guests have left them. "South Asians seem to me to be inexplicably hard on public buildings," she writes. "They scar walls, stain carpets and slash upholsteries with remarkable casualness."

In the Sumatra highlands she stayed at the delightful Pusako at Bukittinggi, but seems to have missed the floor show in which impulsive, barefooted female dancers jump vigorously up and down on piles of plates, reducing them to splinters. (She also neglects to mention the local duckraces; mallards with the musculature of sows fly 110-yard sprints and win their owners one-tenth of an ounce of gold.)

Air-conditioning and antibiotics have changed the nature of life in the torrid zone. Tropical fatigue is now a recognized medical condition; you can get pills for it. The hill stations should be redundant, yet, as this surprising, entertaining and elegantly written book demonstrates, many continue to flourish.

Though Crossette often dwells neoclassically in the past, her reportorial instincts remain on full alert. In Mandalay, for example, she found everyone talking about a new hospital for eye, ear, nose and throat specialists that had recently collapsed, crushing an unknown number of staff members and patients: "You won't read about that in the newspaper," someone said. "But we all know what is going on. Money laundering and corruption is what he meant."

Alexander Frater, whose most recent book is "Chasing the Monsoon," wrote this for The New York Times.

BRIDGE

By Alan Truscott

THE oldest event on the tournament calendar is the Goldman Pairs, first played in 1929 and won by the great Oswald Jacoby, with a forgotten figure, George Reith. It has almost always been played in Manhattan and almost always won by New York experts.

This year both generalizations failed. A contingent of the city's finest traveled to Stamford, Connecticut, last weekend, but all came home empty-handed. The winners were Victor King of Hartford and Margaret Williams, formerly of Connecticut but now living in Burlington, New Jersey. They are frequently successful in team events, but this was their best

result in match-point play.

The winners defended well on the diagramed deal from the final, taking advantage of a slight misjudgment by the declarer.

After the opening weak two-bid in spades, North might well have raised directly to game. He got there anyway, after a two-no-trump inquiry and a three-heart rebid which showed, in the North-South methods, maximum values with a weak spade suit.

King, West, led a club, and South routinely played low from dummy, winning the queen with the king. When he crossed with a diamond to the queen, he won the first trick in dummy with the club ace and led a spade. It was likely that the first spade trick would be lost to West, and South could hope to dispose of the potential club loser even if West

put up the king. But he made the normal play of the jack, losing to the queen.

Now King saw his way clear. He cashed the heart ace and led his remaining diamond, completing a high-low signal. Dummy won and led a trump, and Williams knew what to do after taking her ace. She led another diamond, and the spade 10 scored the setting trick.

Because of the danger of permitting the defense to develop a diamond ruff, there was a better plan. King points out that South should have won the first trick in dummy with the club ace and led a spade.

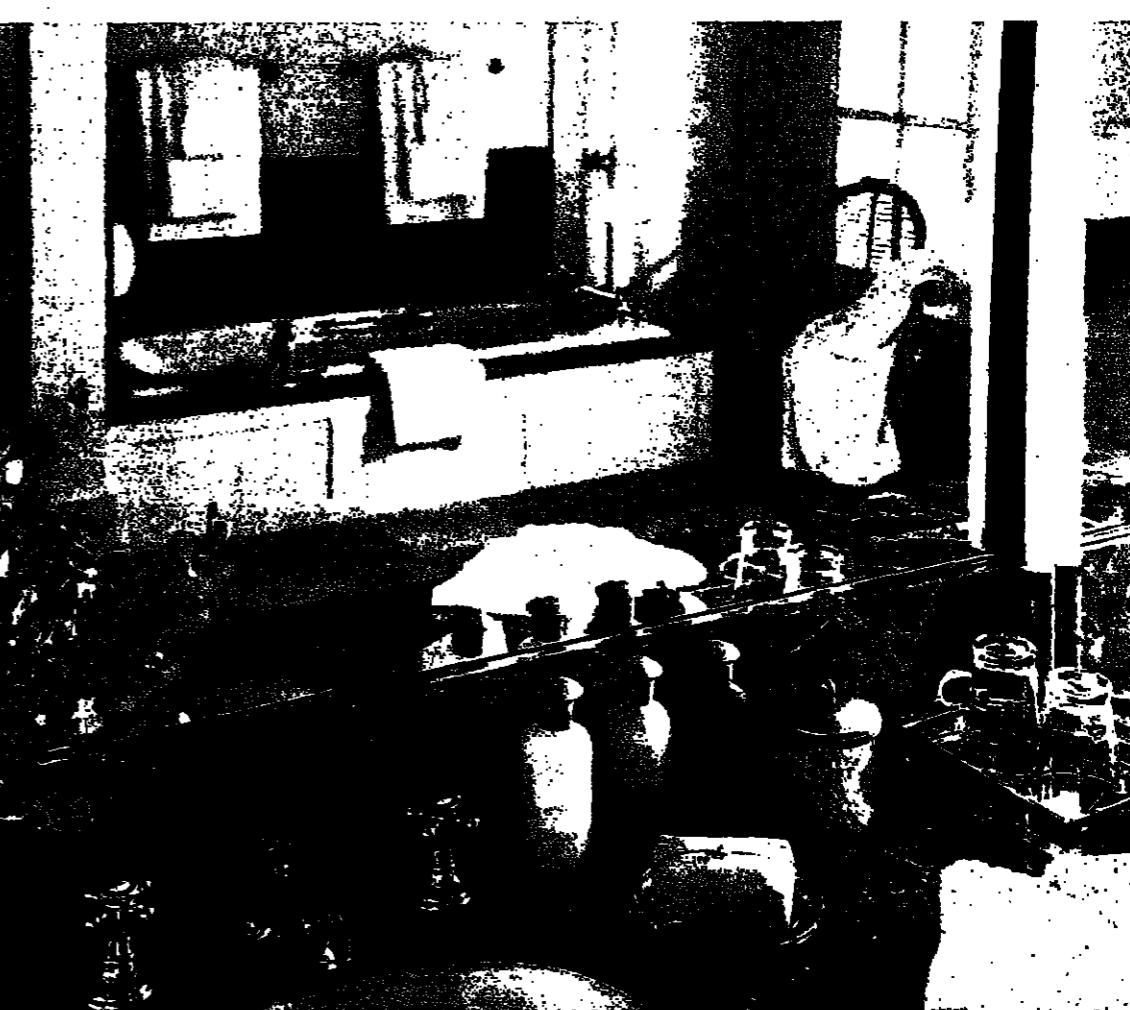
It was likely that the first spade trick would be lost to West, and South could hope to dispose of the potential club loser even if West

held the queen. South could do nothing to avoid a club ruff, but he did not need to run any risks in diamonds.

NORTH
♦ ♦ ♦ ♦
Q K 8 7
Q A K Q 9 4
A 4 A 2
WEST
♦ Q 10 7
A 8 5
A 10 9
A 10 8 7 5 3
EAST
♦ A 2
Q 10 9
Q 10 8 7 6 4 3 2
SOUTH (D)
♦ ♦ ♦ ♦
Q J 10 9 8 7 6 5 4 3 2
Q 10 9 8 7 6 5 4 3 2
Q 10 9 8 7 6 5 4 3 2
SOUTH (D)
♦ ♦ ♦ ♦
Q J 10 9 8 7 6 5 4 3 2
Q 10 9 8 7 6 5 4 3 2
Q 10 9 8 7 6 5 4 3 2
Q 10 9 8 7 6 5 4 3 2
BOTH SIDES ARE VULNERABLE. THE BIDDING:
South West North East
2 1 Pass 2 N.T. Pass
2 1 Pass 2 4 Pass
Pass Pass
West led the club five.

MOST SEE A BATH BEYOND COMPARE.

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ASIA/PACIFIC

15 Freed in East Timor Amid Shift in Jakarta

Habibie Proposes New Status for Territory

By Seth Mydans
New York Times Service

JAKARTA — For the first time in 20 years, the Indonesian government has signaled its willingness to address one of the sorest points in the country's international relations, the status of East Timor.

On Tuesday, President B. J. Habibie proposed that the territory, which Indonesia seized by force from Portuguese control in 1975 and annexed it as the nation's 27th province the following year. The move was condemned by the United Nations, which continues to regard Portugal as the administering power of East Timor.

In recent years, Indonesia has poured development funds into the territory, which is one of its poorest provinces. But it has also deployed thousands of troops and security officials, who have created an atmosphere of terror.

An often brutal separatist insurgency has battered government forces, and tens of thousands of lives have been lost.

The status of East Timor has been the single most difficult question for Indonesia in international forums. Human rights groups regularly document government abuses there.

In interviews with Reuters and the BBC on Tuesday, Mr. Habibie said his proposal was contingent on an agreement by the United Nations and Portugal to recognize Indonesian control of the territory and its 800,000 people.

He said political autonomy was not an option. "If you want to discuss it in that direction, there is no way you can discuss that with me," the president said. "No, we will not let that happen."

Indonesia fears that freedom for East Timor would encourage separatist movements elsewhere in this sprawling archipelago, particularly in the provinces of Aceh and Irian Jaya, where guerrillas are also battling the government.

The president's statements were immediately rejected by Jose Ramos-Horta, who was awarded the 1996 Nobel Peace Prize for his separatist campaign.

"This is not a serious proposal, and I am stating unequivocally that we reject it," Mr. Ramos-Horta said, speaking by telephone from Harvard University.

His co-recipient of the Nobel Prize, the Roman Catholic Bishop Carlos Belo, speaking in Dili on Wednesday, urged protesters to avoid possible violence by confining their demonstration to the campus of East Timor University, where they sang rebel songs and waved outlawed rebel flags.

"Bring Suharto to the international court as a war criminal in East Timor," read a poster at the demonstration.

which was attended by several local political figures including a former governor, Manuel Viegas Carrascalao.

Witnesses said government troops, who have broken up student demonstrations by force in the past, stood by quietly, as they have during a rash of protest demonstrations elsewhere in the country since Mr. Habibie became president.

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Members of the All Indonesian Labor Organization staging a protest Wednesday outside the Parliament building in Jakarta. They want compensation for workers who lost their jobs because of the currency crisis.

Death Toll at 225 In India Cyclone

The Associated Press

BOMBAY, India — Relief workers distributed food and searched for bodies in the debris of smashed homes on Wednesday after a cyclone tore through western India killing 225 people, injuring 1,200 and leaving hundreds of thousands homeless.

The toll from Tuesday's storm could rise. Many people remain missing, and relief workers have yet to reach some remote villages. The storm continued to produce high winds and rain Wednesday, but was no longer of cyclone strength.

The death toll was highest in Kutch district, where a 12-foot tidal wave flooded low-lying areas near Kandia, a port 330 miles northwest of Bombay.

As many as 140 people, including fishermen and port workers, drowned or were swept out to sea, government officials said. Others died when their houses collapsed on them. Some 125 people have been listed as missing, and officials said they feared the casualty figure could surpass 200 in Kutch alone.

"My own view," Mr. Clinton said Tuesday, "is that if this is going to be a state visit to China and I am going to be the guest of the Chinese" then "they should be designing the terms of the arrival ceremony, not me."

Clinton Rebuffs U.S. Critics On Beijing's Welcoming Site

By John M. Broder
New York Times Service

WASHINGTON — President Bill Clinton has rejected appeals in the United States that he avoid a welcoming ceremony in Beijing's Tiananmen Square when he visits China this month. He said he could not dictate to China's leaders how they should receive him.

Appearing at a news conference with President Kim Dae Jung of South Korea, Mr. Clinton said that his scheduled appearance at Tiananmen Square, the center nine years ago of a violent crackdown on democratic protesters, did not signal endorsement of repression.

Last week, the House of Representatives voted, 305 to 116, to approve a nonbinding resolution demanding that the president avoid the historic square on his trip, which is to begin June 25.

Tuesday, "it is that if this is going to be a state visit to China and I am going to be the guest of the Chinese" then "they should be designing the terms of the arrival ceremony, not me."

"And I simply don't accept the position," he added, "that observing their diplomatic protocol in any way undermines my capacity to advance the principles of the United States."

Addressing another issue that has generated opposition to his policy toward China, the president said his approval this year, over the objections of the Justice Department, of China's launching a U.S. satellite into orbit was "a pretty routine decision."

This was the first time that Mr. Clinton addressed questions from the press on the satellite deal, which is the subject of a congressional investigation. Some lawmakers are seeking to learn whether U.S. national security was harmed by the decision and whether the president had been influenced by large election contributions from Bernard Schwartz, chief executive of the satellite maker, Loral Space & Communications Ltd.

The White House has rejected a call from 152 members of Congress that Mr. Clinton postpone his visit until questions about possible influence on the space satellite have been resolved.

BRIEFLY

Protests Reported In Chinese City

BEIJING — Several hundred people staged anti-government protests Wednesday in a Chinese city that President Bill Clinton plans to visit later this month, a human-rights group based in Hong Kong said.

The second successive day of peaceful demonstrations in Xian involved two groups with different grievances, the Information Center of Human Rights and Democratic Movement in China said.

Some demonstrators were protesting the government's failure to give them new housing after they were evicted from their homes for redevelopment, the group said.

Others were pedicabs drivers, protesting the city's decision ahead of Mr. Clinton's visit on June 25-26 not to let them work. (AP)

Bangladesh Rally Assails Peace Pact

KHAGRACHARI, Bangladesh

— Thousands of protesters who traveled from all over Bangladesh ended a two-day, anti-government rally at this southern town on Wednesday, voicing their opposition to a recent peace accord with tribes in the southeast.

An opposition leader, Khalida Zia, who led a stream of protesters 400 kilometers (260 miles) by bus and car from Dhaka, addressed a cheering crowd of 35,000 at the stadium where Prime Minister Hasina Wazed signed the accord six months ago.

The protesters say the accord with rebels from the Buddhist Chakma tribe gives them too much power at the expense of Muslim settlers from the north. (AP)

Malaysian Is Held

KUALA LUMPUR — Malaysian policemen detained the son of the parliamentary opposition leader Wednesday after he addressed a political meeting that authorities had banned, witnesses said.

The police took Lim Guan Eng,

son of the Democratic Action Party secretary-general, Lim Kit Siang, into custody after he addressed about 2,000 political supporters outside a restaurant on the outskirts of the capital. (Reuters)

Ethiopians Report Troops Strike Hard At Eritreans

ADDIS ABABA — Ethiopia said Wednesday that it had attacked bases used by Eritrean forces in disputed territory of the Horn of Africa, ending conflict between the two neighbors.

Eritrea reported fighting in the same area.

"A large segment of Eritrean forces which launched an attack on Ethiopia's base were destroyed," an Ethiopian spokesman said in a statement.

Eritrean losses included tanks, armored vehicles and aircraft, said the official.

Earlier, heretofore secret documents at Eric Mamo, former Secretary General of the United Nations, known as Eric Mamo, showed that Ethiopia had taken over 150 square kilometers of land along the border.

No details of casualties were available from either side, but both sides claimed on both sides of the border seen wounded fighters.

The first clash was on June 10, after two days of air strikes and land battles that both sides have denied.

Both sides have denied

WASHINGTON — President Kim Dae Jung of South Korea carried his appeal against North Korea before Congress, which President Bill Clinton had referred to Nelson Mandela.

House Approves Measure Aims to Stop Bush's Sanctions

By Helen Dewar

Associated Press

WASHINGTON — Despite threats of a veto, the House approved his legislation aimed at forcing the administration to stop exporting missile technology to Iran, creating a conference committee.

Both houses of Congress approved the legislation, which is stronger than the two-thirds majority required to override a veto. The House sanctions bill, 362 to 11, passed it by 90 to 4 last week and now goes to the White House. Presidential aides have said they likely.

Representative Peter Gephardt, D-Missouri, leading the House effort, said: "The administration is squarely to stop cheating the Clinton administration of its right to inspect for violations."

But the House majority leader, Tom DeLay, R-Texas, warned that passage was

likely.

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INTERNATIONAL

Ethiopians Report Troops Strike Hard At Eritreans

Reuters

ADDIS ABABA — Ethiopia said Wednesday that it had inflicted heavy losses on attacking Eritrean forces in disputed territory at the heart of a growing conflict between the Horn of Africa neighbors.

Eritrea reported fighting in the same area.

"A large segment of Eritrean troops which launched an attack on Ethiopia's position at Badame front has been destroyed," an Ethiopian government spokeswoman said in a statement.

Eritrean losses included tanks and artillery and fighting continued, the official Selome Tadesse said.

Earlier, her office said fighting began at Erde Matios, between Badame and Sheraro at 6 A.M. on Wednesday.

Known by Eritreans as Badme and by Ethiopia as Badame, the area is a rocky triangle of land totaling 400 square kilometers (155 square miles). It is claimed by both sides along the western border.

No details of casualties were available from either side, but correspondents on both sides of the frontier have seen wounded fighters.

The first clash was on May 6 but the risk of full-blown conflict soared with two days of air strikes on June 5 and 6 and land battles this week.

Both sides have mobilized veterans



Villagers in Sinkata cheering Wednesday as Ethiopian troops passed on their way to the Eritrean front.

of the joint struggle that overthrew the Ethiopian military dictator, Mengistu Haile Mariam, in 1991.

Eritrea took its independence from Ethiopia after a referendum in 1993 and the two countries were on friendly terms until the border quarrel turned violent.

As a result of their long anti-Mengistu war, both states are among the poorest on the continent but they have large and well-equipped armies.

Eritrea presented two Eritrean prisoners of war to reporters in the northern town of Adigrat.

"There were some with guns, and I was afraid because I didn't know what

was going to happen," the reluctant soldier said. "The battle started, and I was standing there and I was captured."

There was heavy fighting on Tuesday around Zalambessa on the main road between the two country's capitals.

Zalambessa is in Ethiopian territory and was taken by Eritrea last week to prevent Ethiopia from using it as a base to attack, Eritrea says.

Eritrea asked Egypt on Wednesday to help mediate in the conflict, delivering a letter to President Hosni Mubarak.

Kim Nudges U.S. Congress on Pyongyang

By Brian Knowlton
International Herald Tribune

WASHINGTON — President Kim Dae Jung of South Korea on Wednesday carried his appeal for a "confident, coordinated and composed" approach to North Korea before a joint session of Congress, which warmly greeted a man whom President Bill Clinton had compared to Nelson Mandela and Vaclav

Havel.

"We will never relax our vigilance against North Korea," said Mr. Kim, a former dissident who was elected president in December. "But neither will we be afraid to pursue peace."

As in his statement Wednesday that "we have nothing to fear from North Korea," Mr. Kim appeared to gently nudge the United States to deal more openly with Pyongyang.

Mr. Clinton gave Mr. Kim a warm reception upon his arrival Tuesday, including an elaborate state dinner. Mr. Clinton was cautious, however, about Mr. Kim's efforts to persuade the United States to lift long-standing sanctions against the North, saying that Pyongyang must respond to conciliatory gestures from Seoul.

Mr. Kim, who spoke in accented English, warmly thanked the collected legislators and other dignitaries, recalling the U.S. intercessions that twice saved his life during his 40 years as a persistent critic of South Korean military regimes.

Without specifically calling for an end to U.S. sanctions, Mr. Kim said that Seoul and Washington "should promote a sunshine policy, offering inducements against a backdrop of strong security measures, and we should extend to North Korea both goodwill and sincerity, so suspicions dissolve and openness emerges."

Mr. Kim, 74, has sought to strike a warmer tone toward the North than previous Seoul governments have done. "Sunshine," he said Wednesday, "is more effective than a strong wind."

The United States, however, has remained wary. Nearly 40,000 U.S. troops remain on the Korean Peninsula, many along the Demilitarized Zone that has separated North and South since the Korean War.

Mr. Kim said his approach was to avoid mixing political differences with efforts at economic cooperation.

"We are going to promote cooperation in a wide range of areas under the principle of separation of politics and economics," he said. "We want America's support in this effort. Both our nations need to be more confident, coordinated and composed in our relations with North Korea. We hope such an overall approach gives North Korea psychological room to open its mind and its doors."

House Approves Sanctions Bill Measure Aims to Stop Russian Technology Transfer to Iran

By Helen Dewar
Washington Post Service

WASHINGTON — Despite the threat of a veto, the House of Representatives has given final approval to legislation aimed at forcing Russia to stop exporting missile technology to Iran, creating a confrontation with the White House over the politically sensitive issue of technology transfers.

Both houses of Congress have now approved the legislation by far more than the two-thirds majority required to override a veto. The House approved the sanctions bill, 392 to 22. The Senate passed it by 90 to 4 late last month. It now goes to the White House, where presidential aides have said a veto is likely.

Representative Porter Goss, Republican of Florida, said they were challenging the Russians, "fairly and squarely, to stop cheating," and the Clinton administration to "stop winning" at violations.

But the House minority leader, Richard Gephardt, Democrat of Missouri, warned that passage was "premature,"

in light of efforts to get Russia to cooperate. The legislation voted Tuesday was prompted by Republican complaints that Russian companies and other entities have helped accelerate Iran's missile development. It calls for licensing and other sanctions when there is "credible evidence" that these entities have helped Iran obtain technology or key components to develop ballistic missiles. At the same time, the bill would permit Mr. Clinton to waive the sanctions for national security reasons.

In another attempt to address administration objections, the Senate amended an earlier House-passed version of the legislation to impose sanctions only for transfers after January of this year, when Russia adopted new export controls. The original bill would have affected transfers since 1995.

But the administration argued that it is already taking steps to halt technology transfers to countries qualified by Washington as "rogue nations," and that the legislation would impede these efforts, invite dangerous errors and discourage other countries from cooperating in curbing transfers.

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OPINION/LETTERS

A Century Led by Europe, Not America

BONN — In 1941, the publisher Henry Luce predicted that if the United States embraced its destiny as a global power, people throughout the world would be forced to acknowledge that this was the "American" century.

At the time, Mr. Luce's prophecy was ridiculed, even by Americans, as a typically extravagant pronouncement by a man with the grandiosity to call his magazines *Time*, *Life* and *Fortune*.

Now no one laughs at Mr. Luce. At a recent conference in Leipzig, German and American scholars were eager to resurrect Mr. Luce's hypothesis. The imprint of America's century, they argued, was discernible everywhere, from the Spanish-American War to the movie "Independence Day."

Soon we will be treated to similar assessments in newspaper and magazine articles and at many more academic symposiums. With the year 2000 approaching, which pundit or professor can resist a meditation on, or a requiem for, the American century?

Certainly not me. But maybe we should pause before endorsing the Lucean vision. Can the 20th century really be characterized as American? Or did the most important events of the past 100 years take place — just as they had in the 18th and 19th centuries — in Europe? Could our century be better described as the European, or even the totalitarian, century?

America's contributions to the century are indisputable. The United States has been a pioneer in mass production, mass consumption and mass culture, innovations that have magnified America's global influence and transformed

modern life. Because of the ubiquity of American products, advertisements, music, movies and television programs, people on every continent feel they are living in an Americanized world.

Yet Europe's wars and ideological conflicts have done far more to shape the world than Hollywood or Disney.

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way people think and act than Hollywood or Disneyland.

The manipulativeness of America's mass culture has been inconsequential compared with the murderousness of Europe's mass movements. Europeans have therefore remained, unhappily, at the center of the world's history.

None of this means that Americans have not shared in the horrors of the 20th century. The United States had its own wars and imperial adventures in Cuba, the Philippines and Vietnam. And it has tried, often successfully, to exert its political and economic influence internationally. But for the old-fashioned kind of imperialism that led, before its collapse, to the political and military subjugation of whole continents, look to the British, the French, the Germans, the Italians, the Dutch and the Belgians.

More important, the world wars of the 20th century, while they eventually involved American armies, were cataclysmic for Europe. Where the first and second world wars left America intact, prosperous and powerful, Europeans spent the years after both wars — from 1917 until 1989 — living in the shadow of the totalitarian messiahs, along with their guillotines and concentration camps.

The Bolshevik and Nazi revolutions, as well as the Cold War, were essentially struggles over the postwar fate of Europe. Indeed, the rise and fall of totalitarianism is the central political and human drama of the 20th century. And it is predominantly a European drama in which the United States played a significant but secondary role.

In the loftier realms of science and the arts, it is customarily said that after 1945 America became the home of Western culture. But the construction of the atom bomb, the emergence of abstract expressionism as a uniquely American form of painting and the evolution of American literature from Ernest Hemingway to Thomas Pynchon could not have occurred without the influence of European ideas or the flight

of academics and intellectuals from Nazi Germany to the United States.

Even the global popularity of American movies is inconceivable without the presence in Hollywood of European directors, cinematographers, set designers, writers and actors.

And as we near the end of the century, Europe is again engaged in the most important of contemporary arguments over economic integration, multinational mergers and the effort to achieve a balance between the free market and social welfare.

Was Henry Luce wrong? Not entirely. American power was crucial in ending Europe's wars, hot and cold. And America's economy and culture have changed how we all work, what we buy and how we entertain ourselves.

But in the domain of politics and diplomacy, where decisions can be for millions a matter of life and death, this has been — sometimes for the better but mostly for the worst — the European century.

The writer, a Fulbright professor at Barn University, is the author of "Not Like Us: How Europeans Have Loved, Hated, and Transformed American Culture Since World War II." He contributed this comment to the International Herald Tribune.

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LETTERS TO THE EDITOR

Failed Drug War

Regarding "Big Names Sign Letter Criticizing War on Drugs" (June 10):

The "war on drugs" makes prohibition look like a roaring success.

It has made the United States into the world's highest per capita jailer of its own people.

And while drug warriors express concern for children, an unregulated black market in drugs does nothing to protect young people — drug dealers are unlikely to ask for identification, as merchants of legal drugs like alcohol and tobacco are required to do.

Billions of dollars have been wasted on this drug war that could have gone to fund programs to help people with the disease of addiction.

I do not want my children to grow up in a police state created in the name of a drug-free world. It is time for the United States, as well as the international community, to rethink its drug policies.

TIMOTHY J. MEEHAN,
Toronto.

Drug prohibition has clearly failed. We must instead legalize and control the distribution of drugs. (This suggestion will not please those who profit from the present system.)

Crime levels would fall. More money would be available for education. Pressure on police, courts and prisons would drop. The dosage and quality of drugs could be controlled. And drug-taking would be glamorized.

ALUN BUFFRY,
Norfolk, England.

On Genocide

Regarding "Vote on 1915 'Genocide' Infuriates Turkey" (May 30):

Putting the word genocide in quotes is deeply insulting to any people who have undergone genocide.

As for Turkish sensibilities

of academics and intellectuals from Nazi Germany to the United States.

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The Rumor Mill: Beyond the Internet

By Frank Rich

NEW YORK — Contrary to published reports, the Internet did not kill Bob Hope.

The real culprit was Congress, whose members took to eulogizing the still-living comic from the floor last Friday on the basis of an advance obituary accidentally posted on an Associated Press Web site.

Had anyone in the House actually looked at the computer printout that cued the funeral oration, he would have seen a patently dummy news story shot through with long strings of "XXXXXX" as space holders.

But why let the facts ruin a touching impromptu memorial service being beamed to television viewers — voters — back home?

All the way around, it was human error, not computer error, that led to this gallows comedy of errors. And there may have been no one who enjoyed the farce more than Matt Drudge, the Internet's self-styled Walter Winchell and the favorite poster boy of every commentator (me included) for journalistic impropriety in the new media age.

On his site, Mr. Drudge made fun of ABC News, which had broadcast Mr. Hope's "death" on its radio network. "In January," Mr. Drudge wrote with deadpan irony, "ABC News Nightline devoted a show to the perils of speed Internet reporting and the danger of false information being circulated on-line without fact checkers and editors."

ABC's gaffe hardly clears Mr. Drudge of his own egregious errors, one of which has led to a ferocious libel suit. But about at least one thing, one big thing, he has been right, and he was right long before most of the rest of us recognized it: The Internet, speed and all, is shaking up the coverage and dissemination of news as has nothing else in the half-century since the proliferation of

MEANWHILE

television. It may one day even eclipse TV, much as TV long ago downsized radio.

A new survey released on Monday talks in very unpolister-like language of the "astonishing rate" of increase in the Internet news audience.

In 1995, only 14 percent of Americans surfed the Net for news; now, just three years later, 36 percent do. In recent years the audience for print journalism has remained stable while the number of Americans who rely exclusively on TV's nightly broadcast news has fallen from 30 to 15 percent.

The same survey also showed that most Americans cite accuracy as by far the most important component of news, and that they distinguish clearly between credible brands like The Wall Street Journal (which 81 percent say is largely accurate) and the National Enquirer (which only 7 percent do). Would these news consumers be turning to Internet news sources if they believed them to be intrinsically inaccurate? Hardly.

If anything, you could argue — as Mr. Drudge did when addressing Washington's National Press Club last week — that it is the non-Internet media that have made the most notorious journalistic errors of late: the bogus eyewitness account of a Monica-Clinton tryst, the incrimination of Richard Jewell in the Olympics bombing, the serial publication of plagiarized and fictional stories in *The New Republic* magazine and, just three days after the Drudge speech, Bob Hope's "death."

It is past time to retire the Internet as a scapegoat for journalistic ills; it is a medium, not a message, and it can be used as irresponsibly or as honorably as a printing press or a television network can.

Americans will surely distinguish between credible and tabloid news on the Net just as they do in other media. When Matt Drudge runs an inaccurate, unsubstantiated story, he pays — if not in court, then in how his audience perceives him. His undeniably entertaining site could end up as widely read as the Enquirer — and just as widely disbelieved. Or, with unassailable scoops, he could turn himself into the Net's Horace Greeley.

"The Internet is going to save the news business," Mr. Drudge declared at the Press Club. It is hard to fault him for striking back with such hyperbole at his critics within the journalistic establishment. Their reports that he and his new medium would kill the news business have proved as inaccurate as those of the death of Hope.

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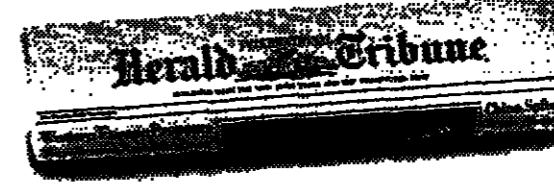


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TribTech

In Cybersuit, The Maestro Shows Heart

Boston Pops Conductor Wired for Night by MIT

By Julie Flaherty
New York Times Service

BOSTON — "Respiration fine," a concerned technician said as he peered into his monitor. "Heartbeat is flaky, but it's there."

An emergency room scene? No. It was an hour before showtime and the debut of the "conductor's jacket," a piece of cyberclothing that keeps track of a director's vital signs while he leads an orchestra.

The subject, with sensors and wires hanging off him like tinfoil tentacles, was Keith Lockhart, the director of the Boston Pops orchestra, who was surrounded by a dozen academics from the Massachusetts Institute of Technology Media Lab.

Throughout the concert, in addition to his respiration and heart rate, the flashy red-and-silver jumpsuit recorded movements of his arms, neck and torso, as well as muscle tension and skin conductivity — determined by how much he perspired and if he was startled, for example by a misplaced cymbal crash. More for the sake of performance than science, the computers also flashed his vital signs onto a screen suspended from the pipe organ.

The goal was to collect data that might explain how Mr. Lockhart's beat-timing, natural gestures and even emotion become music.

Although the jacket's creator, a graduate student, Teresa Marin, studied violin and conducting as an undergraduate, her belief was once that "classical performing arts are not going to survive the millennium."

"The violin is a beautiful tool, a beautiful transducing of our expressive intentions," she said. "But I really felt that in order to keep ourselves as human beings engaged in this process of creating art that we'd need to have tools that make more sense in a modern context." Thus she is involved in the laboratory's creation of "hyperinstruments." Already the lab has constructed an average violin digitally enhanced to sound like a Stradivarius.

Not surprisingly, the showman conductor, who donned jogging shorts for the cover of his latest album, was nonplussed when shown the original design for a plain, white jacket that could be discreetly worn under his Armani tuxedo.

"We were willing to hide all of it, except for a tail," Professor Rosalind Picard said. Instead, Mr. Lockhart said that it be more cyberfashionable, and beamed as he took the stage for "Tech



Michael Quan/The New York Times

Mr. Lockhart conducting as his body's signals were translated into images.

Night," a concert for MIT alumni, in what he called his "Buck Rogers suit."

TO ADD to the spectacle, a specially created computer program translated his body's signals into an interpretive dance of geometric shapes that grew, swirled and changed color.

"It's a problem these days anyway that music, being a primarily aural medium in an extremely visual society, often suffers," Mr. Lockhart said. "The fact is frankly that most of the general public finds the frontiers of science perhaps more interesting than they find the

frontiers of the artistic experience."

The thumping tribute to John Philip Sousa did little to move Mr. Lockhart's flat-lining EKG (the result of a glitch in the computer, not his heart). But by the end of "The Sound of Music" medley, anyone would have thought Rodgers and Hammerstein had intended the accompaniment of the psychedelic orbs and cubes dancing overhead.

David Freedman, class of '48, said he would not call the spectacle art, but it was different from the stuff he learned in his college days. "We didn't even have transistors," he said.

ALT / Commentary

The Net Is Not Ready to Save the World

By Victoria Shannon
International Herald Tribune

PARIS — Like an unrepentant child of the '60s, I believed that the Internet would save the world.

In a manner of speaking, of course. In the early 1990s, when the power and passion of the Internet was dawning on the world, I was drawn to the promise of our becoming a genuine global village, a planet without borders.

It truly seemed possible that business, information and entertainment on the Internet would be blind to borders, instantaneous and free — well, O.K., competitively priced. I finally conceded. People of all nations would learn to play well with others because we would all have the same rules, the same standards, the same lingua franca: the Internet.

A few unrelated events in the past couple of weeks have served to both dull and stir that hope. Now I just think the Internet is too adolescent to be a worldwide savior of anything quite yet.

The incident that got the most public attention was the verdict against the former CompuServe Deutschland manager.

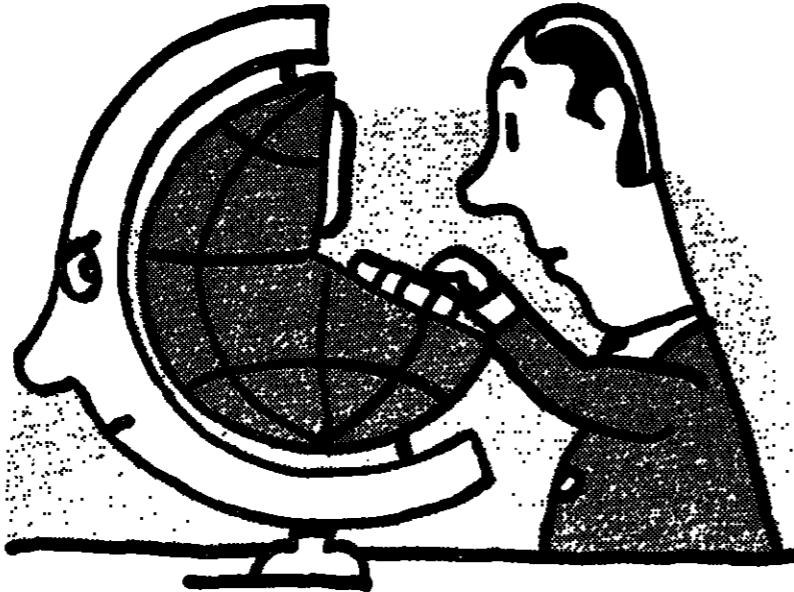
A Munich judge last month ruled that the on-line service official was guilty of spreading pornography because he failed to block subscribers' access to Internet sites that violated German law.

This appalls for myriad reasons: a) current German law does not hold service providers responsible for content they do not create; b) the defense team as well as the prosecutors in the case had recommended acquitting the manager; c) CompuServe had actually caved in to early threats from German investigators and temporarily blocked about 200 Internet sites, and, the most obvious, d) the sites in question weren't even in Germany.

The verdict, as The New York Times saw it, was "a victory for the notion that national law can be applied to something as amorphous and frontierless as the Internet."

Even the European Commission was left scratching its figurative head. "The commission has learned of this decision with a certain astonishment," a spokesman, Jochen Kubisch, said. "This proves once again the need for talks at an international level about this type of problem."

No kidding. Just as companies find national cultures and traditions sometimes insur-



again in 1999.

Finally, lifting my hopes for a better Internet tomorrow, the United States last week withdrew a plan to regulate the assignment of Internet addresses. After months of international outcry about the heavy-handedness of its involvement, the Commerce Department's new proposal gives the responsibility back to Net itself and an international, nonprofit volunteer group of activists.

In light of the recent environment of nationalism, the decision was refreshing — and unexpected. And perhaps a little scary: Could this be the model for a global plan to study and regulate other Internet issues? Is there the seed of a United Nations of the Internet here? Is there any way the Internet could be in fact self-regulating on an international basis?

Is it still possible that the Internet could indeed save the world, at least on its own?

Internetizens watching these issues converge are suffering the same kind of indignation as they did after the passage of the U.S. Communications Decency Act of 1996 outlawing "indecent" material viewable by minors on-line.

The Supreme Court struck down the act a year ago as an unconstitutional restraint of free speech. Would that there were a global cyber equivalent of the high court to put right the rest of these wrongs as well.

Victoria Shannon edits TribTech. She can be e-mailed at: tribtech@iht.com.

United States and the European Union want to keep free from taxes the sales of goods delivered electronically, many other countries want to keep the right to collect those taxes.

Should the Internet be exempt from a government's sovereign right to taxation?

The World Trade Organization, in choosing a couple of weeks ago to delay resolving the impasse for another year, has accidentally sided with "e-commerce" and with keeping the Internet from dissolving into another battlefield in the trade wars. A duty-free Internet is a competitive one, with a level playing field.

At least for the next year. There is, of course, no promise that the same will happen when the WTO takes it up

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High Tech From China's Ivory Tower

Inventor of Publishing Software Dominates the Domestic Market

By Steven Mufson
Washington Post Service

BEIJING — Wang Xuan has created a little slice of Silicon Valley here. Mr. Wang, who is a professor at Beijing University, also runs a modest-sized but profitable computer company called Founder (HK) Ltd. that commands 81 percent of the Chinese market for electronic publishing software.

It also integrates systems for banks, creates fingerprint-recognition systems for public security departments and assembles its own brand of personal computers from imported components.

Mr. Wang earns no more than the equivalent of a couple of hundred dollars a month as a university professor. But as a computer executive he earns more than \$200,000 a year and has stock options worth about \$5 million at the current stock price — figures that are still mind-boggling in what the governing Communist Party describes as a "socialist market economy."

Founder is held up these days as a model for China's economy: a high-technology, fast-growing company that serves the domestic market and is starting to compete in Japan as well.

Bill Gates, the chairman of Microsoft Corp., has met with Mr. Wang, whose system is based on Microsoft's Windows. Analysts in Hong Kong are applauding the performance of the portion of the company that is listed there.

"They're a focused company," said Tim Funicane of Nikko Research Center (HK) Ltd.

"When the company was listed, a lot of people had a lot of doubts. People thought they'd diversify and use the money in other ways. But they have delivered what they said they'd deliver. It's a real software company."

FOUNDER also represents a trend in the commercialization of Chinese universities. A spin-off of Beijing University's computer research center, Founder is 46 percent owned by the university through a more diversified university-owned holding company named Beijing Founder. The holding company has ventures in activities as varied as real estate, chemical manufacturing and cosmetics, and it generates about \$3.6 million a year for the university.

Founder is one of several commercial ventures for Beijing University. Once exclusively funded by the government, the university now finances a third of its budget from the profits from commercial ventures. University officials, including the university Communist Party secretary, sit on the boards of the companies and collect substantial dividends.

Founder's software has evolved into a sophisticated typesetting and layout software.

In addition to selling software to virtually every major Chinese daily newspaper, Founder has supplied its system to Chinese-language papers in Malaysia, the United States and Taiwan. Customers range from the Chinese Communist Party organ, the People's Daily,



Henry Smith/The Washington Post

Wang Xuan, the head of Founder.

Founder's ties to the university and its well-connected board of directors give the company an edge in competing for contracts from state-owned newspapers, television stations and banks. Mr. Wang himself has become a member of the National People's Congress, China's legislature.

And last week, Founder announced that it would start a \$20 million joint venture with Digital Equipment Corp. of Maynard, Massachusetts, to provide computer network and systems integration services for Chinese customers.

All this is a far cry from Mr. Wang's situation 30 years ago, during the Cultural Revolution. At that time, youthful Red Guards who worshipped Mao Zedong and attacked anything that smacked of foreign or ancient culture targeted Beijing University's small computer science department.

Mr. Wang was treated relatively leniently, being banished from the university but allowed to work at home on developing his own computer language.

Though Founder has diversified, its main profit center is its niche in publishing software, providing about 60 percent of the company's profits. Founder has capitalized on the complexity of written Chinese, which uses about 20,000 different characters. Until 1987, Chinese newspapers were still using laborious lead type to typeset their pages.

Mr. Wang used mathematical formulas to come up with a software program for Chinese publishing. He decided to skip over the two generations of computer publishing then in use and devised a dot-matrix program and a way to reduce the amount of computer memory needed to store the program. He used laser printing techniques.

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BRIEFLY

BBC'S DIGITAL DISPLAY:

British viewers at selected sites around the country will get a sneak peek of the BBC's planned digital television services this week with previews of a World Cup-related sports service.

The BBC said it began previewing the terrestrial service Wednesday at Heathrow airport lounges, a handful of county shows, and with a giant video screen at the Trocadero complex in London.

The trial will last for the duration of the World Cup as the BBC gears up for the full-blown launch of digital terrestrial TV this autumn. Later this month, the BBC plans to start transmitting its core BBC1 and BBC2 channels and BBC News 24 in the new wide-screen format, as well as a new BBC Choice preview channel.

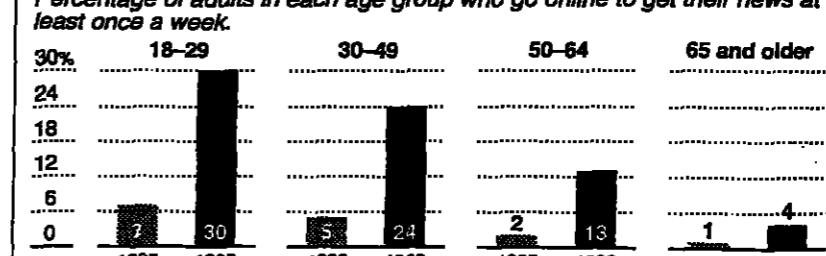
Digital TV services will offer consumers improved sound and picture, as well as interactive services and a plethora of channels compared with the four or five analogue TV channels that British viewers without cable or satellite services currently receive. (Reuters)

• NBC SNAPS UP SNAP: Venturing into the most competitive area of the Internet, NBC has agreed to buy a controlling stake in Snap, an upstart search and directory service, from its creator, C-Net Inc. The network said it was also buying a 4.9 percent stake in C-Net.

NBC, a unit of the General Electric Co., is endorsing the view that Internet directory companies, or search engines, such as Yahoo Inc. and Excite Inc., are

Getting Their News Online

Percentage of adults in each age group who go online to get their news at least once a week.



Source: Pew Research Center Biennial News Consumption Survey

emerging as the cornerstones of profitable on-line ventures. Such portals, as the directory sites have come to be called, have started charging large fees from World Wide Web sites to which they direct Internet users.

The deal, the cost of which could total \$39 million by the time it is completed, represents the first time a broadcast network has entered the Internet portal market, although all the networks have built or acquired various sites that offer content such as news, sports or entertainment. (NYT)

• NEWS JUNKIES ON-LINE: The number of Americans reading news on the Internet is growing quickly, according to a study released this week.

The Pew Research Center study found that 20 percent of Americans use the worldwide network at least once a week to satisfy their appetite for in-

formation. But most people said they use the Internet to supplement, not replace, their traditional sources of news. Two years ago, just 6 percent went online for news, the survey showed.

Readership of daily newspapers remained "remarkably stable," the study said. It found that Americans continue to rely heavily on their daily paper as a primary source of news, with 68 percent reading regularly, not much different from the center's 1996 study. (AP)

• NEW SUPERCOMPUTERS: NEC Corp. plans to bring to market in December a new line of supercomputers, powerful machines used by scientists to perform complex tasks such as forecasting the weather.

NEC's SX-5 supercomputer can process calculations about four times as quickly as their predecessors, the SX-4 line of computers, and can store about eight times as much information, said Chris Shimizu, an NEC spokesman.

The SX-5 will compete with Fujitsu Ltd.'s VP700E, released last year, and California-based Silicon Graphics Inc.'s Cray supercomputers.

Monthly rental for the SX-5 starts from 20 million yen (\$142,000), NEC said.

• IRRATIONAL FRAUD FEARS: Fear of fraud rather than fear of flying has held back the growth of air travel sales on the Internet, travel industry specialists told the International Air Transport Association annual general meeting this week in Montreal.

But that will not stop air travel from becoming the biggest selling consumer item on the Net by 2002, according to recent forecasts.

Concern about the security of credit card information transmitted on-line is the reason most frequently cited for why a majority of travel shoppers do not end up completing a purchase, a panel of electronic commerce experts said.

Last year, there was not a single report of theft of credit card information processed using the secure encryption facility built into the two main Internet browsers, Netscape Navigator and Microsoft Explorer, said Terrell Jones, chief information officer of the Sabre Group, which provides on-line flight information.

to a paper owned by the Nationalist Party in Taiwan.

Mr. Wang pulls out a copy of a Taiwanese newspaper that has used Founder's software to fuse the head of the president of Taiwan, Lee Teng-hui, onto the body of Michael Jordan doing a behind-the-head dunk shot.

White revolutionary when Mr. Wang developed it, Founder's style of computer publishing is now commonplace. Most Chinese newspapers use some form of computer publishing, either Founder's or one of its main competitors in Chinese-language software, including Quark Express and Adobe.

Founder has also come up with a software system for television stations to manage work flow and produce animation. Its first customers have signed contracts, and with 3,000 television stations in China, Mr. Wang hopes this will prove profitable.

The company has also sold finger-print database systems to public security bureaus in 30 cities, including Shanghai, Guangzhou and Hangzhou. In an authoritarian country with population of 1.2 billion, "the potential market is obvious," Mr. Wang said.

And last week, Founder announced that it would start a \$20 million joint venture with Digital Equipment Corp. of Maynard, Massachusetts, to provide computer network and systems integration services for Chinese customers.

All this is a far cry from Mr. Wang's situation 30 years ago, during the Cultural Revolution. At that time, youthful Red Guards who worshipped Mao Zedong and attacked anything that smacked of foreign or ancient culture targeted Beijing University's small computer science department.

Mr. Wang

BUSINESS/FINANCE

THURSDAY, JUNE 11, 1998

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Clock Ticks, But Brittan Pushes On

**EU Trade Commissioner
Hurries to Make His Mark**

By Alan Friedman
International Herald Tribune

PARIS — For years he has been like the best pupil in the classroom, the most intellectually gifted member of the European Commission, and with ambition to match.

But time is starting to run out for Sir Leon Brittan, 58, the respected EU trade commissioner whose combative approach has won him more enemies than friends.

Among the enemies is President Jacques Chirac of France, who recently attacked Sir Leon for allegedly trying to push too quickly with a trans-Atlantic trade negotiation.

"Yes," Sir Leon conceded in an interview, "I have problems with Chirac."

Characteristically, he called the French president's objections "non-sense."

Sir Leon is a committed trade advocate, but lately he has seemed especially driven.

"Leon is a man in a hurry," said one European trade official. "He is trying to get as much done as possible before his term expires."

That term, as trade commissioner, runs out next year. With Tony Blair's Labour Party in power in London, Sir Leon — a former Conservative Party politician and minister in the Thatcher years — is unlikely to be asked to stay on.

Asked if he expects to leave Brussels, Sir Leon noted simply that by 1999 he will have served in the commission for a total of 11 years, "and 11 years is quite a long time."

European officials close to Sir Leon say he is increasingly impatient these days to make progress on a short list of key trade agenda items that would advance his free-market ideology and leave behind a legacy of achievement.

Among Sir Leon's top priorities is a proposal to create a new across-the-board round of global trade talks that he calls the "Millennium Round"; a plan to advance an ambitious trade dialogue between the United States and EU called the "Trans-Atlantic Economic Partnership," and efforts to allow China to join the World Trade Organization even before it meets all of Washington's demands for immediate trade liberalization.

The trans-Atlantic dialogue is expected to flourish in coming months, but diplomats on both sides of the Atlantic doubt that Sir Leon will succeed in launching a full-blown Millennium Round or in persuading Washington to allow China into the World Trade Organization on easier terms.

But Sir Leon remains undaunted and is globetrotting as furiously as ever. (In Beijing, he once stepped off a plane and went straight into 10 hours of meetings. Was he jet-lagged? Had he slept on the plane? "Of course," he deadpanned in his impeccable Oxford English. "What else are planes for?")

In Brussels, a senior Commission official said Sir Leon "has an intellectual superiority that we all respect, but which sometimes rubs his colleagues the wrong way."

His problems with Mr. Chirac are well known, and they recently produced an unusually vitriolic personal attack by the French president, who in March stopped Sir Leon from pursuing a broad-ranging free trade pact with the United States.

The French criticism came even after Sir Leon had made efforts to exclude from the talks both agriculture and anti-dumping issues, the two areas that trigger the most protectionist sentiment in France.

In the interview, Sir Leon said that to accommodate French objections, "We have dropped the words 'free trade area,' but we are committed to reducing barriers bilaterally and to working for a common approach on multilateral negotiations."

See SIR LEON, Page 18



Jacques Rabin/Agence France-Presse
Sir Leon Brittan, impatient to make progress on a few key trade issues.

GM Strike: Troubled Legacy Leaves No One in Mood to Negotiate

Walkout Prompts Shutdown of 7th Plant

The Associated Press

DETROIT — General Motors Corp. shut down a seventh assembly plant Wednesday because of a walkout that has disrupted production of fenders and doors.

In all, about 17,300 GM workers have been idled because of the strike by United Auto Workers against GM's Flint Metal Center. Representatives from the union and management held talks Wednesday, but no progress was reported.

GM's stock has fallen only slightly since the strike began.

It finished down 62.5 cents Wednesday at \$72.5625 on the New York Stock Exchange.

"General Motors is perceived as a multi-layered

bureaucracy that is very high-cost and very slow-moving," said David Healy of Burnham Securities Inc. "Any signal that this is changing through making plants more efficient or making the organization more flexible is welcomed on Wall Street."

More shutdowns are expected as the strike continues. Sixteen cities across North America have GM plants that use parts made at the Flint Metal Center. Analysts estimate the lost production could cost GM \$300 million a week if all those plants close.

If the UAW strikes another key plant in Flint on Thursday as threatened, virtually all of GM's North American production could come to a halt.

Workers Take Stand Against Global Forces

By Frank Swoboda
and Warren Brown
Washington Post Service

union centers on many of the issues involving job security and corporate flexibility that have bedeviled both companies and workers in the global economy.

But, in this case, a history of grievances on both sides and a legacy of six previous local strikes in the past two years have left neither side in a mood to negotiate. Within days, much of GM's vehicle production could cease as a dispute that began in a Flint metal-stamping plant Friday reverberates through the country.

For Rita Jackson, recording secretary of the plant's Local 659, the stakes for the UAW and

See GM, Page 18

Sellers of Godzilla Gear Worry Size May Matter

By Stuart Elliott
New York Times Service

NEW YORK — With "Godzilla" turning out to be more of a limping lizard than a leaping lizard at the box office, the licensing and merchandising partners that anticipated the film would be a summer blockbuster must now hope that size won't matter after all.

"Godzilla," which opened in the United States on May 20, had been promoted relentlessly for more than a year with a breathless teaser campaign insisting that "Size does matter." Though the movie, distributed by the Tristar unit of Sony Pictures Entertainment, had already sold \$114 million worth of tickets in the United States through Sunday, it is widely being perceived as a disappointment because all that sizable pre-release boost led industry analysts to expect spectacular results.

But Sir Leon remains undaunted and is globetrotting as furiously as ever. (In Beijing, he once stepped off a plane and went straight into 10 hours of meetings. Was he jet-lagged? Had he slept on the plane? "Of course," he deadpanned in his impeccable Oxford English. "What else are planes for?")

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In the interview, Sir Leon said that to accommodate French objections, "We have dropped the words 'free trade area,' but we are committed to reducing barriers bilaterally and to working for a common approach on multilateral negotiations."

See SIR LEON, Page 18

CURRENCY & INTEREST RATES

Cross Rates

Currency	Per 5 L	D.M.	F.F.	DM	U.S.	£	Sw.	Fr.	Yen	Cr.
American \$	2.0285	2.0775	1.3227	1.3386	1.1144*	1.3619*	1.0031*	1.0031*	25.16	24.47*
Brussels	2.0285	2.0775	1.3227	1.3386	1.1144*	1.3619*	1.0031*	1.0031*	25.16	24.47*
Frankfurt	1.7647	1.9175	1.2926	1.3074	1.0807*	1.2688	1.0264*	1.0264*	21.79	21.18*
London (S)	1.7647	1.9175	1.2926	1.3074	1.0807*	1.2688	1.0264*	1.0264*	21.79	21.18*
Madrid	1.7647	1.9175	1.2926	1.3074	1.0807*	1.2688	1.0264*	1.0264*	21.79	21.18*
Milan	1.7647	1.9175	1.2926	1.3074	1.0807*	1.2688	1.0264*	1.0264*	21.79	21.18*
New York (S)	1.7647	1.9175	1.2926	1.3074	1.0807*	1.2688	1.0264*	1.0264*	21.79	21.18*
Tokyo	1.6283	1.7717	1.1675	1.1826	1.0309*	1.2179	1.0179*	1.0179*	20.47	20.78*
Toronto	1.6283	1.7717	1.1675	1.1826	1.0309*	1.2179	1.0179*	1.0179*	20.47	20.78*
Zurich	1.6283	1.7717	1.1675	1.1826	1.0309*	1.2179	1.0179*	1.0179*	20.47	20.78*
1 ECU	1.6283	1.7717	1.1675	1.1826	1.0309*	1.2179	1.0179*	1.0179*	20.47	20.78*
1 SDR	1.6283	1.7717	1.1675	1.1826	1.0309*	1.2179	1.0179*	1.0179*	20.47	20.78*

Figures in American, London, Milan, Paris and Zurich, findings in other centers: New York rates of 4 P.M. and Toronto rates of 3 P.M.

To buy one pound: £1.00 U.S. dollars; £1.00 Canadian dollar; 1.00 Swiss franc; 1.00 German mark; 1.00 French franc; 1.00 Italian lira; 1.00 Dutch guilder; 1.00 Japanese yen.

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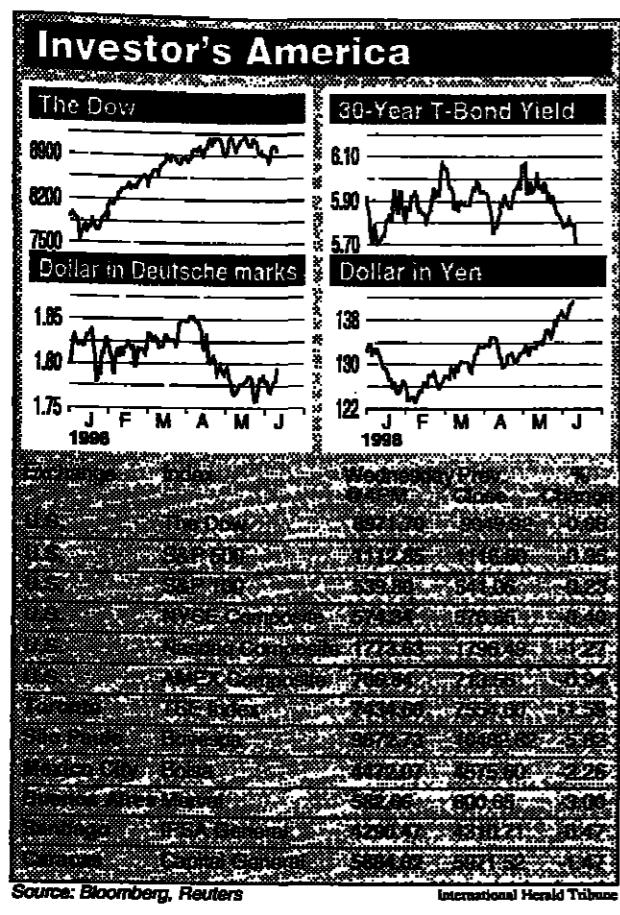
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THE AMERICAS



Source: Bloomberg, Reuters International Herald Tribune

Very briefly:

- Honda Motor Co., the second-biggest foreign carmaker in the United States, reached a settlement allowing Republic Industries Inc. to buy Honda and Acura dealerships.
- Digital Equipment Corp.'s chairman, Robert Palmer, will leave the company in July, just weeks after the completion of Compaq Computer Corp.'s \$39 billion purchase of Digital.
- Northern Telecom Ltd., the second-largest maker of phone equipment in North America, wants to buy small data-networking companies to improve its products for carrying Internet traffic, its chief executive, John Roth, said.
- Wal-Mart Stores Inc. has permits to build prototypes in three Arkansas cities of stores that sell food and drugs, and it hopes to open them this year.
- Benihama Inc.'s founder, Rocky Aoki, has been accused of making more than \$590,000 in an insider-trading scheme. The alleged trading did not involve Benihama, a Japanese steak house chain.
- Brazil set a 13.5 billion reals (\$11.72 billion) minimum price tag on Telecomunicaciones Brasileira SA, known as Telesbras, but bidders were expected to pay considerably more for Latin America's largest telephone company in the July 29 auction.
- Health Care & Retirement Corp. and Manor Care Inc. agreed to merge in a stock swap valued at about \$2.9 billion, including assumed debt, combining two of the biggest U.S. nursing-home operators.
- Koo Koo Rro Inc., a chicken restaurant chain headed by Lee Iacocca, agreed to be bought by Family Restaurants Inc., which is controlled by the financiers Leon Black and Leonard Green, in a stock swap valued at about \$143.8 million.
- Wolters Klurwer NV, the second-largest Dutch publisher, agreed to buy Plenum Publishing Corp. of the United States for \$258 million in cash to bolster its scientific publishing unit.
- Lattice Semiconductor Corp. warned that sales and earnings would be lower than expected in the chipmaker's first quarter due to slowing demand in Asia. Bloomberg, AP, Reuters

The Trib Index									
Prices as of 3:00 P.M. New York time.									
Jan. 1, 1992 = 100	Level	Change	% change	year to date	% change	High	Low	Last	Chg.
World Index	183.70	-2.06	-1.05	+12.54					
Regional Indexes									
Ast/Pacific	79.79	-2.12	-2.59	-16.95					
Europe	236.52	-2.41	-1.01	+22.52					
N. America	248.11	-0.99	-0.40	+14.87					
S. America	129.76	-5.57	-4.19	-15.01					
Industrial Indexes									
Capital goods	289.79	-2.41	-1.00	+16.08					
Consumer goods	230.90	-1.81	-0.68	+10.09					
Energy	211.39	-1.48	-0.70	+8.43					
Finance	139.12	-2.62	-1.85	+13.14					
Miscellaneous	144.94	-6.37	-4.21	-3.30					
Raw Materials	208.82	-2.51	-1.19	+24.86					
Services	206.01	-0.82	-0.40	+18.19					
Utilities	169.19	-1.38	-0.81	+1.39					

The International Herald Tribune World Stock Index © tracks the U.S. dollar value of 280 Internationally investable stocks from 25 countries. Compiled by Bloomberg News.

Boeing, Hit by Asia, to Cut 747 Line by a Third **Dollar Rises As G-7 Fails To Lift Yen**

Bloomberg News

SEATTLE — Boeing Co., the world's largest aircraft maker, will cut production of its 747 jumbo jets by 30 percent next year because the economic slump in Asia has prompted airlines to delay deliveries and to order smaller planes.

Seattle-based Boeing plans to reduce output of the 747, its most profitable plane, to 3.5 jets a month in the second quarter of 1999 from five in this year's third quarter, and make five of its 777 long-distance two-engine jetliners a month in the fourth quarter of next year, down from seven now.

More job cuts are possible, Boeing said late Tuesday. The company already announced plans to eliminate 20,000 jobs over the last six months.

While Boeing also said it planned to make a record 51 planes a month in the first quarter of 1999, the 747

cuts were deeper than some expected. The increase in total production shows that airlines are continuing to order new planes even as Boeing struggles to iron out assembly-line bottlenecks on its 737, its best-selling plane.

The 747 planes are "a little lower than people thought," said Bill Whitlow, a portfolio manager with Safeco Northwest Fund, which owns shares in Boeing. "But that's not surprising given what's happened in Asia."

Demand for the 747, which carries as many as 416 passengers, has weakened as air travel slowed in battered Asian economies. Asian airlines have been the biggest customers for Boeing's largest plane.

The continued slow traffic growth in Asia has caused some airlines to negotiate slides in deliveries of their 1999 747 orders or to substitute other Boeing airplanes

models for their existing 747 orders," said Fred Mitchell, Boeing Commercial Airplane Group's executive vice president of airplane production.

The 747 is considered by analysts to be Boeing's most profitable plane. The lower-than-expected production next year could cause analysts to cut earnings estimates.

Boeing's shares have fallen 18 percent in the past year. It closed Wednesday at \$45.375, down 62.5 cents.

Boeing said it is making a total of 47 planes a month and plans to increase that number to 49 in the third quarter, Boeing said. But Bill Johnson, the head of Local 751 of the International Aerospace Machinists union, said output had yet to reach 47 a month.

Boeing plans to step up production of its updated 737 jetliner to 21 a month in the third quarter and to 24

planes a month in second quarter of next year, compared with the 14 it makes now.

The company expects to reduce production of its 777 long-distance jetliner to five a month in the final quarter of 1999 from seven a month in each of the first three quarters of next year, reflecting worldwide demand for the aircraft. It expects to return to seven 777s a month in 2000.

Boeing's production woes surfaced in October as the company had almost doubled production in the previous 18 months, trying to meet soaring demand from airlines.

As Boeing works to solve its manufacturing problems that caused orders to pile up, its European rival, Airbus Industrie, has pulled ahead in the race for orders. Airbus received orders for 185 aircraft in the first quarter, compared with 116 aircraft for Boeing, according to the trade publication Aerospace Daily.

Bloomberg News

NEW YORK — The dollar rose strongly against other major currencies Wednesday on signs that world leaders were not ready to bolster the yen or offer a concrete aid package for Russia.

The dollar moved higher against the yen after stock markets across Asia tumbled, sparking concern that the region's economies would face more tough times.

Japan's economy faces recession after seven years of anemic growth. Plans for tax cuts and increased

FOREIGN EXCHANGE

spending introduced by the government to lift the economy have done little to fuel growth, leaving the yen to drift lower and Japan unable to lead the region onto a growth path.

"The contagion is becoming a plague, and you're seeing substantive moves in Asian markets," said Doug York, a fund manager at Campbell & Co. "International investors are taking a hard look at Asia and they're saying 'Europe and the U.S. look better.'"

The fact that the yen has been allowed to fall this far without central banks intervening to try to stop the slide has sparked a chain reaction of selling. In 4 P.M. trading, the dollar rose to 141.50 yen from 140.26 yen Tuesday.

The dollar gained against the Deutsche mark, meanwhile, on renewed worries about Russia's economy. Germany is Russia's biggest lender, so the prospect of a Russian default or devaluation of the ruble undermines the mark.

The dollar rose to 1.7955 DM from 1.7800 DM Tuesday. It rose to 6.0215 French francs from 5.9685 francs and to 1.4858 Swiss francs from 1.4760 francs. The pound fell to \$1.6295 from \$1.6365.

The renewed concern over Russia came after Moscow failed to secure enough money to cover debt payments due this week.

Russia raised about \$740 million in three government debt auctions, less than the \$1.1 billion it needs to meet its debt costs. Russia will probably have to dip into its dwindling \$10 billion of reserves to avert a default, fueling concern it might value the ruble.

Women that leaders from the Group of Seven industrialized countries, meeting in Paris, will not come up with a new aid package for Russia also hurt the mark.

Tobacco Loses**A Legal Round****In Florida Case**

Bloomberg News

JACKSONVILLE, Florida — Brown & Williamson Tobacco Corp. was ordered to pay compensatory damages of \$552,000 in a Florida trial on Wednesday, a rare and unexpected courtroom defeat for the tobacco industry that could further damage its efforts in Congress to win protection from future lawsuits.

The jury found the unit of Britain's BAT Industries PLC negligent in the design and manufacture of Lucky Strike cigarettes, and awarded the estate of Roland Maddox \$500,000 in compensatory damages and another \$52,000 to his insured to cover his medical costs.

The courtroom defeat was the tobacco industry's third in four decades of litigation. It could hurt the industry's chances of getting national legislation that would settle state suits seeking to recover health-care costs and provide protection from future lawsuits, analysts said.

Shares of tobacco companies dropped after the verdict. BAT's American depositary receipts closed down 62.5 cents, at \$19.5625. Philip Morris Cos. fell \$2.25, to close at \$38, and RJR Nabisco Holdings Corp. fell 87.5 cents, to \$26.

Continued from Page 1

economy is growing faster than is sustainable."

"Basically, he stated that the economy will have to slow and then mentioned some things that might do it, and then he stated, 'If that doesn't slow the economy, I will'."

Among these factors is a decrease in the pool of available workers.

Mr. Greenspan said that the number of people working has been rising 2 percent a year since 1995, while population growth, including immigration, has been only 1 percent.

This trend cannot continue indefinitely, Mr. Greenspan said. In May there were about 9.7 million people who wanted jobs and did not have them, slightly more than 5.5 percent of the working-age population. That is a record low for the 28-year-old measure — which is distinct from the unemployment rate, which was 4.3 percent last month.

Other reasons for a slowdown in the U.S. economy — which expanded at a 4.8 percent annual rate in the first quarter, well above the Fed's expected range of 2 percent to 2.75 percent for all of this year — are reduced exports to Asia as a result of the economic crisis there and a possible narrowing of corporate profit margins that would curb the stock market and thus discourage consumption.

Mr. Greenspan also said, "The clearly unsustainable rise of inventories that has been evident in recent

quarters will be slowing at some point, perhaps abruptly."

Inventory accumulation was cited as the reason the economy was so strong in the first quarter.

Mr. Kimbell said that while the situation that Mr. Greenspan outlined bodes well for inflation-sensitive bonds, the outlook for the stock market was far less optimistic. The Fed chairman said, "Investors seem to be expecting that low inflation and stronger productivity

U.S. STOCKS

growth will allow the extraordinary growth of profits to be extended into the distant future."

If productivity growth is so high, Mr. Kimbell said, then the rise in employment does not make much sense. Companies should be expanding their output solely through efficiency increases, he said, adding workers.

Productivity growth is so high, Mr. Kimbell said, then the rise in employment does not make much sense. Companies should be expanding their output solely through efficiency increases, he said, adding workers.

Recovering from a question after his speech, Mr. Greenspan said he would prefer that the federal government retain expected budgetary surpluses, but that was not politically feasible he preferred tax cuts to spending increases.

Profit Outlook Hits Stocks

While Treasury bond prices rose on relief that Mr. Greenspan did not signal an imminent rate increase, stocks fell on concerns about corporate profit growth.

Corporate profit growth, Bloomberg News reported from New York.

The price of the benchmark 30-year bond rose 1 1/32 point to 106 3/32, reducing the yield to 5.69 percent from 5.79 percent Tuesday.

The Dow Jones industrial average closed 78.22 points lower, at 8,971.70, and the Standard & Poor's 500 index fell 6.65 points to close at 1,112.85. Declining issues outnumbered advancing ones by a 4-to-1 ratio on the New York Stock Exchange, and the Nasdaq composite index fell 27.50 points, to 1,773.26.

Technology stocks struggled.

Premiere Technologies fell 4 1/16 to 16 10/16 after saying it expected to post losses for the year because two customers had not paid their bills. Premiere sells voice-mail and conference-calling services.

Western Digital fell 4 5/16 to 113/16 after the company warned that its quarterly loss would be larger than analysts had expected because of deep price cuts on its computer disk drives and slower sales.

Texas Instruments fell 3 9/16 to 52 15/16 after IBM said it planned to make semiconductors used in mobile phones and other consumer electronics, assaulting TI's largest and most lucrative market. IBM fell 15 1/16 to 117 5/16.

But investors were still willing to take a chance on new prospects. Iktomi, which makes software designed to reduce Internet congestion as well as a popular Internet search engine, saw its shares double to 36 from initial public offering price of 18.

INTERNATIONAL FUTURES**June 10, 1998****High Low Last Chg. Chg. Optd.****High Low Last Chg. Chg. Optd.**

EU Bank Appoints German Spokesman

By John Schmid
International Herald Tribune

FRANKFURT — The man who speaks for the Bundesbank will now speak for Europe.

The European Central Bank, which is modeled after the German national bank, hired the Bundesbank's chief spokesman Wednesday to help deliver its message to the public.

The appointment of Manfred Koerber helps deepen the Bundesbank's imprint on the newly minted European Central Bank at a time when the institution's reputation is recovering from an overt political feud last month over the nationalities of its top appointments.

The new bank said Mr. Koerber had been named director for external relations. He will oversee the

press department as well as other operations, including the archives, library and translation services.

Apart from the five men and one woman on the bank's executive council and the governors from the 11 national central banks on its governing board, Mr. Koerber's position is one of the most sensitive and prominent in the new bank. Mr. Koerber will report directly to Wim Duisenberg, the president.

The Bundesbank is the largest shareholder in the European Central Bank, with 24.4 percent, well beyond the Bank of France, which has 16.8 percent.

But the Bundesbank's influence over the new bank extends far beyond it. In addition to providing the underlying hard-money, anti-inflation philosophy and its location in the Bundesbank's hometown of Frankfurt, the German central bank also has furnished some of its key leaders. Besides Mr. Koerber, 59, who spent 25 years at the Bundesbank, the chief economist on the executive council, Omar Issing, had been the Bundesbank's chief economist since 1990.

Of the 16 directorate positions just below the board level, three are slated for candidates from the Bundesbank. Those posts include the directorate general for international and European relations, which is expected to go to Bernd Giese, who holds the same job at the Bundesbank. By contrast, only one Bank of France candidate is under consideration for one of the top 16 staff posts.

Even Mr. Duisenberg — a disciple of the Bundesbank's strict policies — has been called a "clone" of the Bundesbank by the French, who opposed his nomination.

A spokeswoman at the European Central Bank said the main criteria for such posts were qualifications, not national politics.

U.S. Executive To Quit Lufthansa

International Herald Tribune

FRANKFURT — Frederick Reid, the American manager who helped achieve a dramatic turnaround at Lufthansa AG, said Wednesday that he was leaving the German airline.

Mr. Reid, who last year was named chairman of the flag carrier's passenger-service board, helped design Lufthansa's Star Alliance of partnerships with five other carriers, including United Airlines.

Mr. Reid, 48, arrived at Lufthansa in 1991 as the airline began a three-year string of losses. He will join Delta Airlines, leaving Lufthansa "at his own request," the airline said.



MOVE TO THE TOP — Rana Talwar, executive director of Standard Chartered PLC, who was named Wednesday to replace Malcolm Williamson as the bank's chief executive.

ABN-AMRO to Narrow Focus

Bloomberg News

BANGKOK — ABN-AMRO Holding NV, fresh from its defeat in a takeover bid for Belgium's biggest bank, plans to focus its expansion for the time being on moves to buy small and midsize lenders with well-defined local markets, its chief executive, Jan Kalff, said Wednesday.

Much of expansion for the largest Dutch bank will be in the United States and Southeast Asia, Mr. Kalff said in Bangkok, where he is visiting for discussions ahead of the completion of a \$1.74 billion takeover of Bank of Asia PLC.

After losing out in its bid for Generale de Banque SA of Belgium, AMRO is not keen to try another takeover of a big European bank, unless its bid will encounter no resistance from the target's management and regulatory hurdles are limited, Mr. Kalff said.

In Europe, consolidation is most likely to be within countries, given that there are still about 10,000 banks on the Continent, he added.

"If you buy a bank cross-border,

you have to deal with cultural issues" and several regulatory bodies, he said. "I expect the consolidation to take place in the various markets, and perhaps once in a while a cross-border takeover. A cross-border merger seems very unlikely."

AMRO this week was stymied in its bid for Generale de Banque, which declared the Dutch bank's bid "hostile" and sold new shares equal to 10 percent of capital to the rival bidder, Fortis AG, which had raised its offer for the bank to \$14.2 billion. The revised Fortis bid is about \$2 billion more than AMRO said it would pay.

That defeat prompted some analysts to suggest that AMRO's best strategy for competing with Europe's biggest banks was a merger with a bank of about equal size.

Size became more of an issue in Europe with the recent \$33 billion merger of Union Bank of Switzerland and Swiss Bank Corp. as well as Internationale Nederlanden Groep NV's \$4.7 billion purchase of Banque Bruxelles Lambert SA.

Credit Suisse Buys Brazil's Garantia

Bloomberg News

ZURICH — Credit Suisse Group agreed Wednesday to buy Banco de Investimento Garantia SA, Brazil's largest investment bank, for at least \$675 million, a bid to win more business as Latin American markets open to competition.

Credit Suisse, which owns the investment bank Credit Suisse First Boston, said it would pay Garantia's managing partners \$200 million cash and \$475 million in stock over three years for the São Paulo-based bank. Further undisclosed payments depend on Garantia's profits. The agreement came after months of talks.

For Garantia, the acquisition ends 27 years of independence during which the bank rose to the No. 1 position in trading on the Brazilian stock exchange.

Garantia said Jorge Paulo Lemann, its founding partner and chairman and Claudio Haddad, its chief executive, would leave as part of the takeover. Several other partners will also leave, it added.

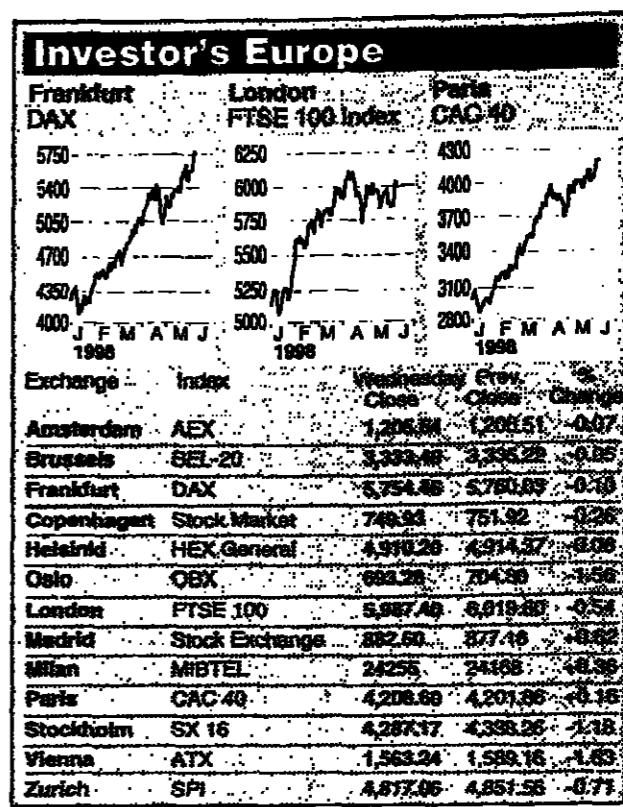
Mr. Lemann, who founded Garantia in 1971, will be retained as a senior adviser to Credit Suisse, said Carlos Castanho, a Garantia partner.

Garantia also said it would shut its 14 office in New York and its one-man office in London.

Switzerland's second-biggest bank is expanding in Latin America's biggest market as the economies of Brazil and other Latin American countries are deregulated.

Goldman, Sachs & Co. and Morgan Stanley Dean Witter & Co., among others, were vying to buy Garantia, which has sought to raise capital after suffering more than \$100 million in trading losses in October.

The purchase by Credit Suisse is one of the first acquisitions of a Latin American investment bank by a buyer from outside the region.



Source: Telekurs

PAGE 13

WORLD STOCK MARKETS

Wednesday, June 10

Daily prices in local currencies.

Telekurs

High Low Close Prev.

Amsterdam

ASX index 1952.54

Previous: 1952.54

High Low Close Prev.

ASX-AMRO

45.40 45.40 45.40 45.40

Agen

14.10 15.10 16.00 15.00

Alcatel

63.30 65.40 65.30 65.30

Alcatel-Nordic

4.60 4.60 4.60 4.60

Alcatel-Sud

7.70 7.50 7.70 7.40

Alcatel-Verz

17.20 18.00 17.00 17.00

Banki

59.00 60.00 60.00 60.00

Barclays

14.00 14.00 14.00 14.00

Barclays Cm

12.00 12.00 12.00 12.00

Wednesday's 4 P.M. Close

The 2,600 most traded stocks of the day.
Nationwide prices not reflecting late trades elsewhere.

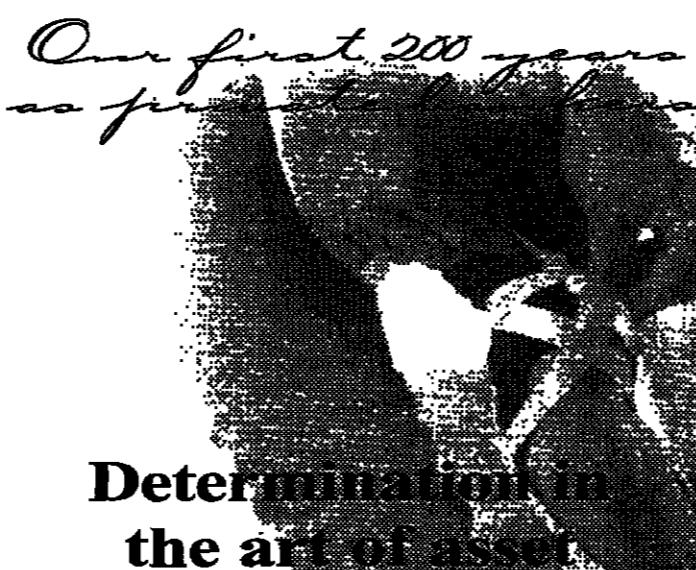
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12 Month High	12 Month Low	Stock	Div	Yld	PE	\$5 100\$	High	Low	12 Month Chg.
29	154	BergD's	.48	1.2	22	1140	20%	20%	+20%
325	274	BergD's	.48	1.2	25	1570	21%	41%	+41%
74,000	67,700	BergD's A	-	-	50	1450	77000	77000	-100%
14,000	12,700	BergD's B	-	-	25	280	2545	2568	-1%
120	104	BerkDay	.97	8.3	48	811	115%	115%	+115%
79	70	BerkB'r w/	-	-	100	100	100	100	+100%
3916	3656	BestBuy	.75	1.0	32	321500	32%	32%	+32%

	12 Month High	12 Month Low	Stock	DIV Yld	PE	100\$	High	Low	Last	Chg
27	25%	Conseco	p/T	2.29	8.0	7	117	26%	26%	+26%
25	12%	CoxClear				7	1980	125%	61%	+11%
47%	28%	ComEd		2.12	47	55	4550	45%	4490	+45%
53	67%	ComEd	p/A	5.00	53	-	165	50%	82	+8%
24	24%	ComEd	ConEd	1.94	74	-	103	25%	98	+4%
63%	35%	Comerica				31	107	51%	51%	+51%
50%	30%	Comerica	ConGrp	1.94	50	31	3228	51%	57%	+57%
50%	30%	Comerica	ConGrp	1.94	50	31	3228	51%	57%	+57%

Firm	12 Month High/Low			Div	Yld	PE	S\$	
	High	Low	Stock				2003	2004
-ve	55	474	Ethyfed	2.68	5.4	26	2557	494
+ve	274	244	EWIC	2.65	8.3	12	128	274
+ve	267	231	EWIC Bdg	1.81	7.2	—	985	254
+2	204	101	ExpoElec	—	—	26	148	201
+ve	278	171	ExpoElec	0.38	2.5	16	402	254
+ve	4179	2115	ExxonMobil	—	—	—	2759	2115
+ve	3776	2115	ExxonMobil	2.00	4.2	16	2635	2115

Crys	High	Low	Stock	Sis			100s High	Low/Late
				DIV	Yld	PE		
+Vn	12	106	GreenSt	.59	5.6	46	109s	10
+Vn	17%	126	Griton			12	120s	12
+Vn	17%	126	Group II	-	20	220	124s	12
+Vn	19%	126	Group II	-	20	124	124s	12
+Vn	19%	126	Group II	-	20	224	124s	12
+Vn	22%	126	Grisson	1.47	6.3	51	120s	21
+Vn	22%	126	Grisson	1.47	6.3	51	211s	21
+Vn	25%	126	GCA/Asystec	.176	2.0	-	98	214
+Vn	18%	109s	GKElectronics	-	-	572	111s	21
+Vn	18%	109s	GKElectronics	-	-	572	111s	21



Determining the art of asset management



Lombard Odier

Continued on Page 1

NASDAQ

Wednesday's 4 P.M.

The 1,000 most traded National Market securities
in terms of dollar value, updated twice a year.
The Standard & Poor's

The Associated Press

NYSE

Wednesday's 4 P.M. Close
(Continued)

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INTERNATIONAL FUND

June 10, 1993

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ASIA/PACIFIC



CAUGHT NAPPING — A Korean Confederation of Trade Unions member dozing at a protest against the leadership's decision to cancel a general strike that was to have started Wednesday.

Hong Kong Firms Hedging on Yuan

By James Rooney, International Herald Tribune

HONG KONG — Hong Kong companies, among the largest investors in China, are starting to hedge against the risk that the yuan may buckle like other Asian currencies.

A Chinese company based here, Shum Yip Investment Ltd., said Wednesday that it was moving to insulate itself from a possible depreciation of the yuan, the only currency in the world to strengthen against the dollar in the past year.

New World Infrastructure Ltd., Cheung Kong Infrastructure Ltd. and other Hong Kong companies are considering similar steps, executives said.

A steady depreciation in the yen is hurting China's trade and, coupled with devaluations of the Thai baht and other Asian currencies, ultimately may force Beijing to try to increase exports with a cheaper currency, analysts said. Such a move probably would send currencies reeling across Asia.

China has repeatedly vowed not to follow other Asian countries in letting its currency weaken. The weakening yen, though, may be the final straw, some analysts said.

Highlighting fears that the slip-

ping yen was hitting demand for Chinese exports in Japan, Chinese trade figures released Wednesday showed exports fell 1.5 percent in May from a year earlier, the first such decline in 22 months.

Although Beijing gave no country breakdowns for its exports, analysts said Japan was the likely principal cause of the May decline.

"The big one is probably Japan," said John Seel of Bear Stearns Asia in Hong Kong. "Imports from China were down 6 percent in April, and you're probably looking at something much bigger than that for May."

Some economists say that a 33 percent depreciation of the yuan in 1994 was at least partly responsible for the Southeast Asian financial crisis, as it allowed China to amass huge trade surpluses at the expense of its neighbors. Some analysts say that another yuan devaluation would likely unhinge the Hong Kong dollar's peg to the U.S. dollar and set off a new round of competitive devaluations among regional economies.

Tung Chee-hwa, the chief executive of Hong Kong, said Wednesday that his administration was determined to keep the currency peg.

"Let me stress the government's determination to defend the linked exchange rate has not changed one bit," he said.

But Shum Yip Investment, which is controlled by the southern Chinese city of Shenzhen, increased its borrowing in yuan in case the currency weakens and makes paying off debts in other currencies more expensive, said Wen Gujian, an executive director. Shum Yip, which invests in property and transportation, earns money in yuan.

"It will remove our currency risk," Mr. Wen said of the borrowing plan.

Shum Yip has about \$204.8 million of cash on hand, mainly in U.S. dollars, Mr. Wen said. It has used part of that as deposits and collateral for its Shenzhen-incorporated subsidiaries to get yuan loans for their investments on the mainland.

New World, one of Hong Kong's biggest investors in China, is also planning to hedge.

The company, which has invested \$3.2 billion in mainland roads, ports, housing and power plants, plans to borrow in yuan for the first time to finance projects, it said this year.

(Bloomberg, Reuters)

AP

Indonesia's Biggest Carmaker Shuts Plants, Citing Economy

By Associated Press

TOKYO — Japan's governing party will draw up legislation by the end of September that calls for a revaluation of the Japanese currency, a news report said Wednesday.

The Liberal Democratic Party's subcommittee on denomination wants to revalue the yen at roughly 1 yen to the dollar, the Kyodo news agency reported.

The dollar has risen sharply against the yen in recent days, surpassing 140 yen.

The goal of the proposed revaluation would be to make the yen more competitive as an international currency with the dollar and Europe's single currency, which will be introduced Jan. 1, 1999, Kyodo said.

Most of the lawmakers on the committee support the move, it added.

Party officials were not immediately available to comment on the report.

It remains uncertain, however, if the idea would ever make it to a vote in Parliament.

The Finance Ministry has rejected similar proposals in the past, dismissing plans for a new yen as unnecessary and disruptive.

dollars, their rupiah loans are huge, interest rates are sky-high, and there's demand-side pressure as well," said Charles Phoa, automotive analyst at DBS Securities in Jakarta.

Astra's plight shows how quickly Indonesian companies have gone from high-flying success stories to stock-market pariahs.

The company also shuffled its top executives, removing from its board several figures close to former President Suharto. Among them was long-time confidante, Mohammed Hasan.

Somala Wiria, a former president director of Bank Negara Indonesia, was appointed president commissioner to replace Mr. Hasan.

Rini Soewandi, who replaced Theodore Rachmat as president director of Astra, said the production halt would last two months.

She said Astra would seek to increase its car and car component exports to Japan and Malaysia during the economic crisis. "We look for market opportunity through export," Miss Soewandi said.

The plunge in the rupiah has raised the cost of imported parts and jacked up borrowing costs, pushing the price of Astra's vehicles beyond the reach of most Indonesians.

"From a fundamental side it's pretty hopeless — they have debts in U.S.

(Bloomberg, Reuters)

CROSSWORD

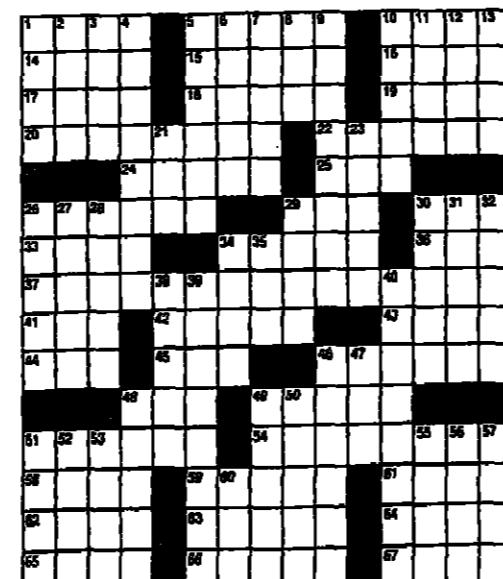
ACROSS

- 1 Poly sci subjects
- 5 Overshadow
- 10 Costner's role in "The Untouchables"
- 14 Skip
- 15 Symbol of thinness
- 18 Like some singing
- 19 Six-foot vis-à-vis five-foot
- 20 Admire
- 21 Beside oneself?
- 22 Exit
- 24 Big name in gyms
- 25 Expensive eggs?
- 26 A growing concern?
- 28 Give a hand
- 30 Operate
- 32 End of a list of names
- 34 Both
- 36 War stat.
- 37 Group with a hint to this puzzle's theme
- 41 Midling mark
- 42 Acclaim
- 43 Make out
- 44 Abb. in a marathon time
- 45 "When Love" (Van Halen hit)
- 46 French books
- 48 Cable ints.
- 50 Thrill
- 54 Flying body?
- 56 Lincoln
- 58 Familiar political promises
- 60 Aloud
- 62 Comic Johnson
- 64 First name in beauty
- 66 Squint (adj)
- 68 Site of a W.W. I Allied victory
- 70 They have bar signs
- 72 Smooth Operator
- 74 "When Love" (Van Halen hit)
- 76 Opposite of lead
- 78 Lives
- 80 Dwindled
- 82 Provides
- 84 Bombo box abr.
- 86 Something for nothing
- 88 Bed material
- 90 Woman of Paris

Solution to Puzzle of June 10

DOWNS

- 1 Scimitar
- 2 Shirt sizes
- 3 Architect van der Rohe
- 5 Opposite of lead
- 6 Lives
- 8 Dwindled
- 10 Provides
- 12 Bombo box abr.
- 14 Something for nothing
- 16 Bed material
- 18 Woman of Paris



Puzzle by Randall J. Hartman

Sumitomo Gives Aid To 5 Korean Banks

By Don Kirk
International Herald Tribune

SEOUL — Sumitomo Bank Ltd. announced Wednesday that it would guarantee letters of credit worth up to \$100 million for five South Korean banks in coordination with the International Finance Corp., an arm of the World Bank.

The move by Sumitomo, one of Japan's biggest banks, appeared to be an effort to quell fears among Korean business leaders that Japanese financial institutions may desert them in a time of crisis.

Although the amount guaranteed by Sumitomo was relatively small in terms of the size of South Korean debt, Sumitomo said its purpose was to enable Korean companies to obtain the credit they desperately needed to conduct foreign trade.

"It's difficult for Korean companies to get trade credits," said James Rooney, president of Ssangyong Templeton Investment Trust Management Co. "That's affected both import and export."

The problem would add to the crisis here "when there's no more raw material with which to make products for exports," Mr. Rooney said.

Fears are growing here that the depreciation of the yen, which is increasing pressure on Japanese banks, may compel those banks to cut off short-term loans to South Korea in an effort to reduce their debts here.

"My biggest concern about Korea is the implication for Japanese banks," said Stephen Marvin, chief of research at Jardine Fleming Securities here. He noted that exposure of Japanese banks in South Korea, which totals \$2.2 billion, is larger than that of the banks of any other country, partly as a result of Japan's massive current-account surplus.

The plan announced by Sumitomo calls for it to guarantee 60 percent and the International Finance Corp. to guarantee 40 percent of letters of credit from South Korean banks for local manufacturers.

The show of support by one major Japanese bank, however, was not expected to create confidence in the viability of the South Korean banking system or the companies that continue to rely heavily on the banks for credit.

Not did promises of support given to President Kim Dae Jung during his visit to the United States this week have much impact.

In any case, Mr. Marvin said,

"We're headed toward a full-blown banking crisis." He predicted that at least two more chaebol will collapse in the next few months.

As evidence of the worries here about the declining yen, the benchmark index of the Seoul stock market finished 14.68 points lower, at 324.54.

Pressure mounted on South Korea's conglomerates, or *chaebol*, to accept the need for sweeping overhauls.

Kim Joong Kwon, chief presidential secretary, said, "Revamping *chaebol* is essential for the company itself and for the national economy." He predicted "a big deal will be made soon" involving a swap of entities among the major *chaebol*.

As one solution to the banking crisis, the chairman of Daewoo Group, Kim Woo Choong, proposed establishment of several enormous banks with funds from each of the "big four" *chaebol* — Hyundai Group, Samsung Group, Daewoo and LG Group. They in turn could take over troubled local banks and set up joint ventures with foreign banks.

Analysts sharply criticized that proposal as another effort by the conglomerates to avoid serious reform while collaborating against government pressure.

"Whenever a *chaebol* has owned a financial institution, it turns into a piggy bank for the *chaebol*," Mr. Rooney said. "Where do they get the money from? They have to borrow it. Then they'll lend it back to themselves. It's a shell game."

Chaebo leaders are barred from owning more than 4 percent of any bank under current law, but there is a move to change the law so they could own a much larger percentage.

"The leaders of the top 50 *chaebol* are responsible for this mess by overinvesting and overborrowing," Mr. Marvin said. "Now basically the government is holding this together with bubble gum."

With South Korean companies and banks already \$500 billion in debt, including more than \$150 billion to foreign banks, Mr. Marvin said the government had no choice but to take "quick, forceful action to liquidate many *chaebol* and raise substantial funds off shore for recapitalizing the banks."

Otherwise, he said, "the country will slide into a deep depression next year."

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Herald Tribune INTERNATIONAL SPORTS

WORLD ROUNDUP

Graf Is Victorious In Comeback Match

TENNIS Steffi Graf, playing her first professional match in four months, rallied to beat Renate Stubbs in three sets Wednesday at the DFS Classic in Birmingham, England.

Graf, the former world No. 1, lost the first set but recovered to defeat the Australian 5-7, 6-2, 6-4, in 1 hour and 51 minutes. The two players, who are close friends, hugged at the net after the match.

Graf started the match with a brace on her left knee and removed it early in the first set, in which Stubbs broke her service twice. But the German took control in the second set, and her service break in the first game of the third set held up the rest of the way.

In Halle, Germany, Petr Korda, the top seed, lost in straight sets Wednesday to Paul Haarsma at the Gerry Weber Open. The Dutchman beat the world No. 3, 7-6 (7-4), 6-4, in the grass-court tune-up for Wimbledon. Richard Krajicek, seeded No. 3, beat Tommy Haas of Germany, 3-6, 6-4, 6-1. (AP)



Richard Krajicek hitting a backhand return to Tommy Haas.

New Owner for Rangers?

BASEBALL Tom Hicks, a media mogul, appears set to become the new owner of the Texas Rangers.

Baseball owners are expected to approve the \$250 million sale of the Rangers by a group headed by Governor George Bush of Texas to Hicks, who already owns the Dallas Stars of the National Hockey League. Rupert Murdoch recently paid \$311 million for the Los Angeles Dodgers.

Lenny Dykstra, the Philadelphia Phillies' centerfielder, said he would not play baseball again because of back problems that have kept him out of the lineup for the past year and a half. Dykstra stopped short of declaring his retirement, saying such an announcement would probably come after the season. An earlier formal announcement would void his \$5.5 million contract this year. (AP)

Makeover at The Masters

GOLF The Augusta National golf course, home to The Masters, will receive some minor modifications in a concession to the current crop of long-hitting golfers, such as Tiger Woods.

Tees at the par-5 second hole and the par-4 17th will be moved back, and the fairway mounds at the par-5 15th hole will be cut down.

"These young men are hitting the ball a lot further these days," said William Johnson, the new chairman of the Augusta National Golf Club and the Masters Tournament. "All the changes at No. 2, No. 15 and 17 will call for greater accuracy off the tee." (Reuters)

Fuzzy Zoeller, the 1984 U.S. Open champion, and Jeff Sluman, the 1988 PGA champion, qualified for this year's U.S. Open in a sectional playoff in Summit, New Jersey.

Eighty-nine qualifiers from 12 sites will join 67 exempt players at The Olympic Club in San Francisco for the opening round June 18. (AP)

One-Two Punch KOs Capitals in Opener

Wings Win After Scoring on Consecutive Shots

By Rachel Alexander
Washington Post Service

DETROIT — The Detroit Red Wings scored on consecutive shots in the first period and held off a late Washington Capitals charge to win the opening game of the Stanley Cup finals, 2-1.

The double blow, coming within a span of 2 minutes and 14 seconds on Tuesday night, was too much for the

STANLEY CUP FINALS

Capitals to overcome. Reeling, they went without a shot in the first nine minutes of the second period.

Although Richard Zednik scored for the Capitals late in the second, temporarily reviving the Washington attack, the teams battled evenly in the third period with neither being able to score.

Olaf Kolzig had a total of 29 saves for Washington and Chris Osgood had 16 for Detroit.

"We had a couple of shifts where our number one and number two lines got outplayed by their number three and number four lines," said Scotty Bowman, the Detroit coach. "We got a little casual, a little lackadaisical with the puck, and they made us pay."

Since 1939, the team that has won Game 1 of the Stanley Cup finals has gone on to win the series 80 percent of the time.

After a failed scoring chance by the Capitals less than two minutes into the first period, Washington had trouble crossing the Detroit blue line, even on an early power play. Except for brief interludes, the rest of the period consisted of Red Wings chances, Red Wings cheers and, eventually, Red Wings goals.

Detroit broke through after the right wing Joe Kocur found himself alone in the front of the net with the center Doug Brown poised for a perfect pass. A Washington defenseman, Joe Reekie, attempted to stop the feed with a dive to the ice, but the puck slid under his chest and Kocur was able to knock it into the exposed side of the net at 14:04 of the session.

A deep silence fell over the arena as the Capitals celebrated Zednik's goal, and the rest of the game was a battle of close calls on both ends. In between, the Washington center Dale Hunter did a thorough job of hassling Detroit's captain, Steve Yzerman — twice sitting on him in open ice and once drawing Yzerman into a penalty. But neither of Hunter's efforts nor those of his teammates near the net could tie the game for Washington.

The Capitals were left to ponder their strategies for Game 2.

"I think we were tight," Wilson said. "We showed the effects of a layoff. We seem to play much better when we find ourselves in a rhythm, and that's what I'm looking forward to coming back to on our home ice."

"We felt we put ourselves in a position to win Game 1 and we didn't," Wilson added. "Back to the drawing board. If we come out with the same effort we had over the last 30 minutes, we'll be okay."

In the third period, the Capitals had four straight chances on Osgood, none of which came close to getting past him.

pretty good but as soon as they got the first goal we started panicking. The breakouts were awful and we started giving the puck away."

The Capitals seemed to regroup defensively during the first intermission, but they continued to struggle offensively in the second period. They kept working their way over the Detroit blue line and the Red Wings kept sweeping the puck back into the neutral zone. The Capitals didn't record a shot until just after the nine-minute mark, and when that did, Osgood was able to make a glove save on Phil Housley.

The Capitals kept working and eventually made progress. The right wing Peter Bondra started Washington's goal with an excellent play to keep the puck in the Red Wings' zone. Andrei Nikishin then took the puck into the slot and dropped it back to Zednik, who let loose a hard slap shot that sailed between Kocur and the former Capitals' defenseman Larry Murphy. The puck nicked Osgood's glove before flying into the net at 15:57.

"We have got to do a lot better than that overall," said Scotty Bowman, the Detroit coach. "After we scored the two goals, we seemed to be a little mixed up."

Brendan Shanahan, the Detroit center, said: "We have to have discipline and we got away from that a little bit. I think we have to be on our toes more. It has been a bad habit of ours to get back on our heels when we have the lead."

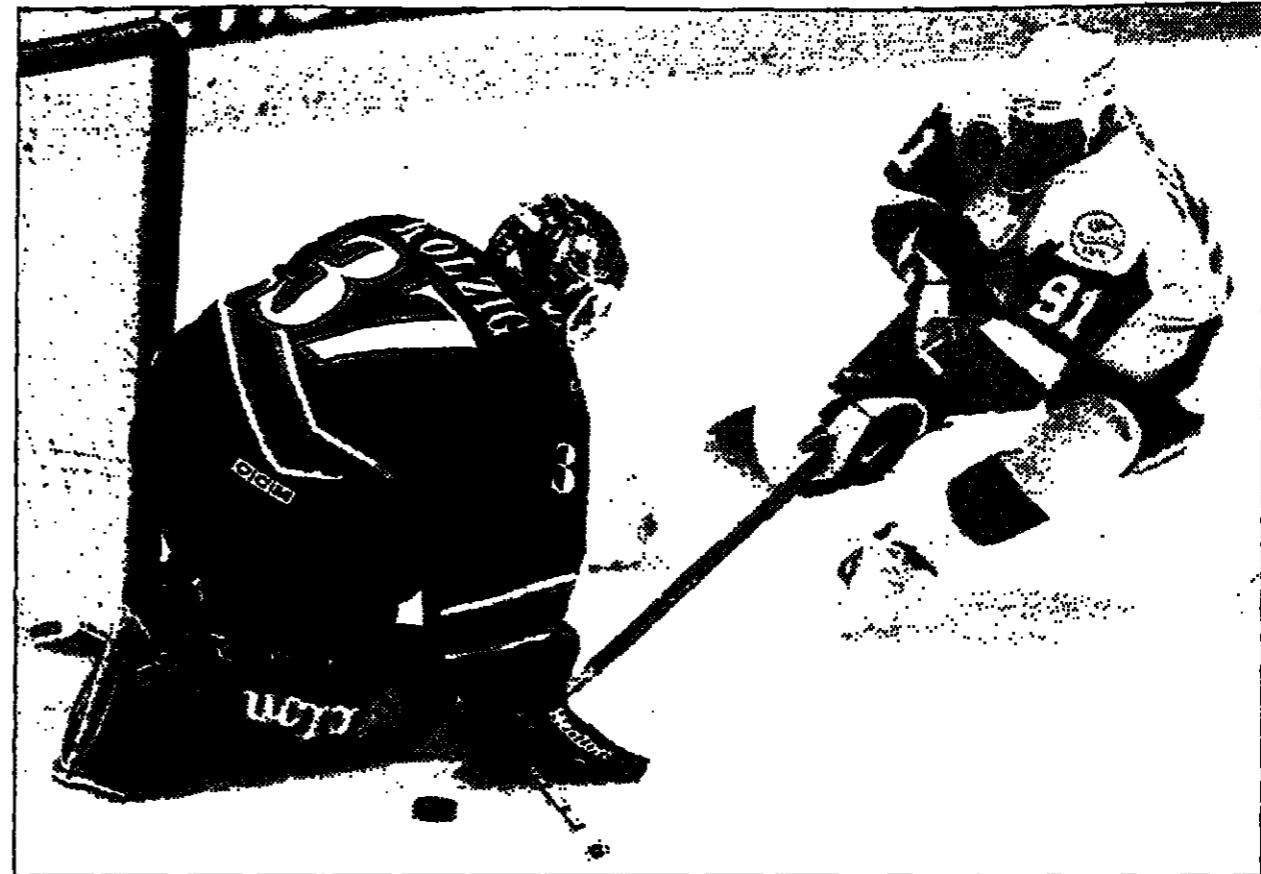
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The Capitals' goaltender, Olaf Kolzig, thwarting a scoring attempt by Sergei Fedorov of the Red Wings.

A Battle on the Airwaves, Not the Ice

Vantage Point/JIM LITKE

GARY Bettman does not expect a series for the ages. That would be asking too much.

Although such a series might be fair compensation for the season the NHL commissioner has just been through, he's been in the leadership business long enough to know the scales don't always move according to what is fair.

So all he asks for, as the Stanley Cup finale between the Detroit Red Wings and the Washington Capitals get underway, is a strong finish to the season.

"We're going to get, for us, unprecedented exposure over the next two weeks," Bettman said. "And how much passion we generate will depend on how long the series runs. If we get a long, competitive series, the drama will build."

When Bettman starts talking that way, everyone who knows him knows what comes next. "When people are exposed to our game," he said, "they get hooked by it."

That's what every survey Bettman has commissioned since taking over the National Hockey League five seasons ago tells him. In fact, the president of the United States told him the same thing just last week.

Bill Clinton became the first sitting

president to make it to the NHL playoffs when he took in a game between the Capitals and the Buffalo Sabres at the MCI Center. The president said he was impressed by how fast and rough the play was, and by how much the drama was heightened when the game spilled into overtime.

But it was the last thing Clinton told Bettman that stuck with the commissioner. "He said the game was so much better in person than on TV," Bettman recalled. "I explained that's no surprise since, time after time, our research tells us we've got the best in-person experience in sports."

That is both hockey's greatest strength and its greatest weakness. The NHL plays its games in buildings filled to more than 90 percent of capacity. But almost nobody watches it on television.

The perception that it's a regional game — strong where it is played, barely

a blip on the radar screen everywhere else — is borne out by the numbers. The league's two principal television networks in the United States, ESPN and Fox, have struggled with low ratings, attracting only about 2 million households for late rounds of the playoffs.

in a sense, however, the league partially has itself to blame. This season, the NHL gambled by closing up shop for 17 days to allow its best players to take part in the Olympics. But the CBS network relegated the games to poor time slots, and instead of smashing ratings, the United States team finished the tournament smashing furniture.

Months later, Bettman is still touchy about the subject. "There is still a tendency to confuse the Olympic experience with the U.S. team," he said. "They were not the only reason we went."

The NHL season got off to a rocky start before it even began, when several of the Stanley Cup champion Red Wings were seriously injured in a car crash.

But anybody who gave it a look Tuesday night had to like what they saw. Washington came in nervous against the defending champs, but found their legs after bowing out, 2-1. And so Bettman may still get his wish. There was talk of a sweep, but this looks like a series.

"They are not going away," the Red Wings' center, Kris Draper, said of the Capitals.

You hope the same is true of the audience.

Expos Can't Dance to Yanks' Cuban Beat

The Associated Press

Orlando Hernandez, the Yankees' Cuban pitcher, proved his dazzling debut was no fluke.

Hernandez pitched a four-hitter and struck out nine in his second major league start as New York won, 11-1, in Montreal on Tuesday night for his eighth straight victory.

The performance was even more impressive than Hernandez's major league debut last Wednesday against Tampa Bay. In that 7-1 victory, the Cuban defector allowed just one run and five hits in seven innings.

"He's not overpowering, but he can throw a fastball by you, the Yankees' manager, Joe Torre, said. "And he throws from all different places. Juan Marichal is one guy that you can say had the kind of command that we're seeing with Hernandez."

Scott Brosius hit two homers, Luis Sojo had four of New York's 17 hits and Chuck Knoblauch scored three runs for the Yankees.

The Expos' Carlos Perez, who had won his six previous starts, lasted only four innings, allowing six runs on seven hits.

Twins 8, Cubs 6 — Jerry Reed, the Chicago rookie who tied a major league record with 20 strikeouts

against Houston earlier this season, had a bad outing as he lost in Minneapolis.

Bothered by a toothache, Wood (6-3) lasted only 3 1/2 innings as the Twins snapped the Cubs' 10-game winning streak and handed the rookie his first loss since April 24.

Red Sox 9, Braves 3 — In Atlanta, Dennis Martinez failed in his bid to post Marichal as the winningest

pitcher in history.

Martinez, who tied Marichal's record last year by winning his 243rd game, was knocked out in the fifth inning by the Red Sox. He allowed nine hits and seven runs, three earned, in four-plus innings.

Cardinals 5, White Sox 4 — Delino DeShields drove in two runs and Mark McGwire was robbed of a homer by a spectacular catch as visiting St. Louis snapped a six-game losing streak.

In the seventh, the Chicago centerfielder Mike Cameron made a leaping catch to rob McGwire of a potential 30th homer. McGwire had just one run and five hits in seven innings.

Angels 7, Indians 4 — In Cleveland, Jon Matlack pitched 10 2/3 scoreless innings and the Indians' starter, Dwight Gooden, gave up three runs and seven hits.

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pitcher in history.

Nomo, acquired from the Dodgers in a trade last week, gave up five hits and four runs in five innings. He also walked three, threw a wild pitch and balked home the tying run in the fifth.

Rangers 5, Rockies 2 — In Denver, Juan Gonzalez boosted his major league-leading runs-batted-in total to 78 with a solo homer. Will Clark also homered as Texas handed Colorado its fifth straight loss.

Angels 10, Diamondbacks 8 — Cecil Fielder had a grand slam and drove in six runs, and Darin Erstad went 5-for-5 and drove in the go-ahead run as visiting Anaheim won its ninth straight.

Astros 5, Tigers 3 — Todd Jones blew a save for the second straight night as Houston scored four ninth-inning runs at Detroit to win its fourth straight.

Brewers 6, Royals 3 — Marquis Grissom drew a bases-loaded walk with two outs in the 10th and Mark Loretta added a two-run single to lift Milwaukee in Kansas City.

Devil Rays 5, Mets 4 — Hideo Nomo was erratic in his debut with New York, which lost when visiting Tampa Bay scored an unearned run in the top of the 11th.

Padres 5, Reds 4 — In San Diego, Greg Vaughn hit a grand slam and Andy Ashby came within two outs of his fourth straight complete game as the Padres won the only National League game of the night.

Marlins 5, Braves 4 — In Atlanta, Chipper Jones homered in the 10th to give the Braves their first win of the season.

Pirates 7, Marlins 6 — In Miami, Mike Matheny hit a two-run home run in the 10th to give the Pirates their first win of the season.

Giants 10, Rockies 9 — In San Francisco, Barry Bonds hit a two-run home run in the 10th to give the Giants their first win of the season.

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Yankees 7, Mariners 6 — In Seattle, Jim Abbott pitched 10 2/3 scoreless innings and the Yankees won their 11th straight.

Herald Tribune WORLD CUP

THURSDAY, JUNE 11, 1998

WORLD CUP BRIEFS

Chinese Dissident Criticizes Adidas

Bao Ge, a Chinese dissident, said Wednesday that he was launching legal action against the sporting goods maker Adidas for its alleged use of Chinese prison labor to produce World Cup '98 soccer balls.

Bao, 30, said he was "forced by guards" in a labor camp between 1994 and 1997 to make products for Adidas, the official supplier of balls for the World Cup.

He told the Portuguese news agency Lusa in Macau, where he is attending a conference, that he had asked legal representatives in Hong Kong, the United States, France and Germany to sue Adidas.

He said the German sporting goods supplier should be held "responsible and pay compensation for the pain and suffering" prisoners in Chinese labor education camp experienced in making the balls. He said prisoners had "never been paid" for their work. (AP)

Savicevic Will Miss Game

Dejan Savicevic is likely to miss Yugoslavia's opening game against Iran on Sunday. The striker is struggling to shake off a knee ligament injury.

"Savicevic is having treatment but he still can't go full out," said the coach Slobodan Santrac said. "We're not playing only one game at the World Cup."

The Nigerian defender Jero Shapoke will be replaced by Mobi Oparaku, FIFA said Wednesday. Shapoke broke his left collarbone in a June 5 exhibition match against the Netherlands. There is still uncertainty about the striker Daniel Amokachi, who twisted his right knee in training Tuesday.

Andre Arendse, a South African goalkeeper, damaged his left knee ligaments in training and has been replaced by Paul Evans. (AP)

English Club Seeks Coach

Sheffield Wednesday of the English Premier League is attempting to hire Philippe Troussier, South Africa's French coach.

Dave Richards, the club chairman, met with Troussier in France on Tuesday. Club officials said the two were close to a deal.

"Nothing's signed, but we have been talking and there's a very good chance of things succeeding," Troussier said. (AP)

Croatia Struggles

Croatia labored to defeat, 2-1, a team of select domestic players in Vitel, France, on Wednesday.

"We were much too sloppy," said Miroslav Blazevic, the Croatia coach. "You saw Balkan acrobatics — but not footballers — who didn't live up to their reputations."

Croatia plays Jamaica on Sunday. (AP)



Brazil's Leonardo, center, and his teammates celebrating after their victory against Scotland on Wednesday.

KICK: Own-Goal Hands Brazil a Victory

Continued from Page 1

joyfully filled up a fair portion of the 80,000 seats danced away from the Stade de France without some fresh doubts about their team's ability to win this event in the same stadium on July 12.

Brazil has not been impressive in recent months, losing to the United States in February and, more understandably, to Argentina at home in April. Midfield creation again appears to be a problem,

BRAZIL 2, SCOTLAND 1

although the same problem did not keep Brazil from winning its unprecedented fourth title in the United States in 1994. The team also appears vulnerable defensively, and if Scotland's attacking duo of Kevin Gallacher and Gordon Durie can cause them as many problems as they did Wednesday, what will happen when Brazil runs into truly world-class strikers? But it is far too early to begin writing epitaphs. When Brazil needed a goal with the match even at 1-1, it was able to manufacture one and put it atop Group A.

Denilson had begun the match on the bench, but after he replaced Bebeto in the 70th minute, Brazil took on a more threatening aspect. Three minutes later, a bit of brilliant footwork by him on the left wing drew the defense in his direction. Brazil's captain Dunga was the next to touch the ball, and he chipped it into the goal mouth, toward which right fullback Cafu and his Scottish escort Gordon Durie were sprinting at a furious pace. Durie tumbled. Cafu lashed out with his left foot and poked the ball at goalkeeper Jim Leighton. Leighton knocked it away, only to watch it ricochet off teammate Boyd's shoulder and into his goal.

Cafu celebrated with a front flip, while the 39-year-old Leighton, who would have done better to control the ball, gave Boyd a commiserative look. "Once again a defender and a midfielder were decisive," Brazil coach

Mario Zagallo said, "that's normal; this only proves that marking will be very tight during this World Cup."

After surrendering only three goals in 10 qualifying matches, Scotland's rugged defense would prove more vulnerable on the game's biggest stage.

"We were not humiliated by the World Champions," said Craig Brown, the Scotland coach. "We played well but the best team still won; we gave up two goals we should not have given up."

Though the Scottish fans were outshouting and outsingling the Brazilians in the Metro and in the stands before the match began, they quickly fell silent in the fifth minute, when midfielder Cesar Sampao scored off a corner kick from Bebeto. The 30-year-old Sampao, perhaps the least celebrated of Brazil's starters, does not play for a top European team like most of his teammates. He plays for the Yokohama Flugels of Japan. But Sampao is known for being very useful with his head, and considering the sharp angle from which he scored and the sharp-elbowed marking he endured from Craig Burley, his goal was a remarkable effort.

There would be other remarkable efforts in the first half; none more than Ronaldo's in the 19th minute, when he gave a 10-second recital deep in the Scottish half and turned nothing into something worth having on video.

But this would not be the 21-year-old star's night to score his first World Cup goal, and Leighton would save the ensuing shot by diving to his right. As the match wore on, it became clear that Ronaldo's most important role in this tournament may be as a decoy. He created several offensive opportunities for his less famous teammates by drawing most of the defense to him, but at half-time his team was no longer in front.

That was because Sampao, who had given Brazil the early lead, essentially took it away in the 38th minute by shoving Gallacher in the penalty box when both were chasing a ball. Spanish



An anguished Colin Hendry of Scotland after his side's defeat.

referee Jose Manuel Garcia Aranda, working his first World Cup match, signaled for a penalty kick and gave Sampao a yellow card — "highly questionable," said Zagallo. After vociferous debate from the Brazilians, Scottish midfielder John Collins struck the ball low and left past the lunging goalkeeper Taffarel to make it 1-1.

If it had stayed that way, there might have been a lot more kill-raising on the esplanade after this curtain-raising. But the Brazilians' superior talent would once again get the best of Scotland in group play. The question is whether that will do Brazil good in the long run.

Hendry wasn't quite beaten. He is nothing if not spirited, this blond Scots captain. He gave chase, but was shaken off again by another bewildering change of direction from the Brazilian. With eight touches of the ball in the space of a few seconds, and Ronaldo was free. The Scottish trio may as well have tried to trap a spider in a fishing net. The end product, a shot lacking Ronaldo's customary venom, was held by Jim Leighton, the Scotland goalie, but that should not detract from an example of the art of soccer that began to show the world why Ronaldo is the most prized player in a world of 200 million footballers.

Pele, Alfredo di Stefano and Carlos Alberto, three of soccer's greats, lament that coaches have too much say, that the game is too systematic for flair to breath. But Ronaldo suggested there may be no holding him. He will score before this tournament is over, especially now that he has learned, from the Scots who would not surrender, the ex-

Ronaldo's Brilliance Dazzles Opponents

Brazilian Striker's Deft Moves Show Scotsmen Why He's Most Heralded

By Rob Hughes
International Herald Tribune

tra meter of commitment that opponents will give at World Cup level.

This was indeed a salutary day at the Stade de France for Brazilians. Joao Havelange, probably the oldest Brazilian in the stadium, gave his final speech as FIFA president. As the octogenarian opened his mouth huge numbers of the 85,000 capacity crowd — many wearing Brazilian yellow — booted him relentlessly. Havelange may have been made honorary president by the FIFA delegates who fawned over him Monday, but those who know him well, his countrymen, were in unforgiving mood.

They have seen his double standards, and they let the two billion viewers watching this opening ceremony know their feelings. Since tickets were reportedly changing hands at a \$1,000 each, they paid for their right.

For an opening match it was pleasing without scaling the heights of drama of the 1990 World Cup opener in Milan when Cameroon shocked Argentina and surprised the world with Roger Milla's ecstatic goal skills in attack and with a moment does not a career make, so Ronaldo has some distance to travel. But share with me the relief that, after all the sullied FIFA politics that have passed beneath the bridges of the Seine this week, here was a player free to explore his gifts.

Receiving the ball from Cafu on the right, Ronaldo lured Colin Hendry, Scotland's biggest and most worldly defender, to him. Midway through the first half, he performed a movement of balletic beauty, sheer control of body and of the ball, that transcended any of the three goals.

Indeed, it was skill and single-minded adaptability, it was body strength and instinct combined.

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Indeed, it was skill and single-minded adaptability, it was body strength and instinct combined.

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Holed Up in a Chateau, U.S. Team Awaits Action

By George Vecsey
New York Times Service

ST-JEAN-D'ARDIERES, France — For reading matter, Brian Maisonneuve had the latest copy of *Les Pages Jaunes*, a page-turner if ever there was one. His family name would indicate that he might be able to decipher the thrilling plot within, but Maisonneuve doesn't visitors, "I'm looking at the pictures."

Maybe he was looking for a pizza delivery service in the Yellow Pages for the quiet vineyard region in which the U.S. soccer team currently finds itself ensconced. Maybe he was looking for a taxi to get him to bustling downtown Belleville or Villefranche.

Steve Sampson, the coach, has said — with basically a straight face — that he put them in a rural chateau so they could get the true feeling of being in deepest France. The players say: Yeah, right.

What do you do when the coach has put the team in the outback of the Beaujolais region? You cool your heels, literally. Maisonneuve was sitting outside the American wing of the chateau, both feet stuck in a bucket of ice, which, under better circumstances might have chilled a new bottle of Georges DeBoeuf.

"A little boredom isn't bad," Sampson said.

Just about every one of the 32 teams in this World Cup is quartered in reasonable seclusion, even the Brazilians and the Italians. The U.S. lads do not like being quartered in the boonies in preparation for their opening game in Paris against Germany, but Sampson wants them fresh and rested and a trifle surly next Monday.

The first game in the World Cup is the biggie for the Americans. Germany is still putting together its aged and its infirm, and the United States just might gain a tie or a victory before the Germans get their act together.

Sampson is talking up team unity and says he now has 22 healthy players for

the first time. But there are many questions about this team.

Aside from Kasey Keller in goal and a few other skilled individuals, the team is a work in progress. Sampson is still putting together the pieces, which could be a bit of a problem when the marauders come down the highway.

The first stop, of course, is tranquility. Sampson found the Chateau de Pizay on an inspection trip last fall and immediately fell in love with its six centuries of history, its exotic topiary, its ancient chapel, its crowing roosters and attack geese. Or maybe it was the distance from diversions.

"We have to prepare for Germany," Sampson said at a news conference in the courtyard. "I don't want them on their feet all day shopping."

He has tentatively scheduled a bus ride to Lyon, 40 kilometers (25 miles) away, for an afternoon on the town on Thursday. He has provided diversions like a golf outing on Sunday, at which Alexei Lalas scored 24 for the first two holes, presumably striking many of his shots as headers.

Sampson is probably aware of at least 10 percent of the gripping, but he insists the players will have time to meander from their quaint hotel off the Champs-Elysees on Saturday night and Sunday. "After they are finished with this World Cup, they will not say they did not have a World Cup experience," Sampson promised.

In the center of wine country, he has allowed his players to drink one glass of beer with dinner, but he noted proudly that the other night not one player asked for a beer. There is a tradition of nocturnal card-playing — known to participants as the Card School — but after these kept rising, Sampson put in a curfew of 10:30 P.M. for that activity.

What do the players do when they dutifully put away their decks of cards at the appointed hour? There are always Les Pages Jaunes.



Gabriel Popescu of Romania, left, playing in a friendly match Wednesday.

Reuters

ALBI, France — Viorel Moldovan scored a hat trick Wednesday to help Romania to a comfortable 5-2 victory in a friendly match against U.S. Albi, a club in the French third division.

The French amateurs, trailing 2-0, pulled level by half time, but then conceded three goals in three minutes, two from Moldovan and one by Gheorghe Hagi. Gabriel Popescu scored the other

Romanian goal. The only thing of interest to scouts from future World Cup opponents would have been the indifferent performance by goalkeeper Bogdan Stielea.

Stielea let Mustapha Fethi to lob him from far out and stood immobile as David Delga scored just before half time. Romania is to play against another local side Thursday as it prepares for its first Group G game against Colombia on Monday.

Italy Looking to Take A Forceful First Step

Compiled by Our Staff From Despatch

ITALY vs. CHILE (Bordeaux, 17:30 local time) Having often started poorly only to finish strongly, Italy will try to break a bad habit and make a powerful first step in the World Cup.

Italy won the 1982 Cup in Spain after drawing all three of its group matches and barely scraping into the second

THURSDAY'S MATCHES

round. Four years ago in the United States, Italy lost, 1-0, to Ireland in its opening match but went on to reach the final, where it lost to Brazil.

"We have a lot of respect for Chile, but we need to begin with a victory," said Paolo Maldini, the team captain and the son of the coach, Cesare Maldini.

The senior Maldini has reverted to the traditional Italian focus on defense, having reintroduced the defensive "sweeper," favored by most Italian clubs. Nevertheless, Italy has looked shaky in times in warm-up games. The team recently lost to Sweden, 1-0, after a defensive lapse by Alessandro Nesta allowed the Swedes to score in the final minute.

Meanwhile, Chile's strength is in the attack. Ivan Zamorano and Marcelo Salas, the team's two star strikers, are by far its best-known players.

Calling the two "a threat for any defense," Maldini hinted that Nestea would guard Zamorano and that the agile Fabio Cannavaro would mark Salas.

Zamorano and Salas combined for 23 goals in World Cup qualifying as Chile returned to the finals after an absence of 16 years. Zamorano plays in the Italian league for Inter Milan, where Gianluca Pagliuca, the Italian goalkeeper, is a teammate.

"Chile is not only Zamorano and Salas," Maldini said. "Midfield and defense are good. It's a tough team."

Italy lost one of its most experienced strikers Wednesday when Fabrizio Ravanelli was dropped from the squad because he was suffering from bronchial pneumonia in his right lung. The Italians successfully petitioned FIFA, world soccer's governing body, to be allowed to replace Ravanelli with Enrico Chiesa.

Italy will also be without Alessandro Del Piero, who is recovering from a right thigh strain.

Rodrigo Baggio, who led Italy to the final game four years ago, will tem-

porarily take Del Piero's place.

The two teams met in one of the most infamous matches in World Cup history: the so-called Battle of Santiago in 1962. Chile won, 2-0, but the match is most remembered for violent play, a couple of fistfights and two player ejections.

AUSTRIA vs. CAMEROON (Toulouse, 21:00) Claude Le Roy, the Cameroon coach, said his team intended to be aggressive in the match between the two underdogs of Group B.

"We're not interested in safe soccer," said Le Roy. "Some risks always have to be taken."

Andreas Herzog, an Austrian forward, hinted that his team would opt for an attacking strategy, at least until the first goal. "We will try to score in the first few minutes," Herzog said. "Then things will be easier."

The game is probably the best chance for either team to get a victory at the World Cup, although Cameroon enters the match with more momentum.

Le Roy named an attacking team on Wednesday, bringing in the midfielder Didier Angibaud to replace the defender Salomon Olembre.

Olembre, who plays for Nice in the French league, will start the match on the bench along with the 17-year-old striker Samuel Eto'o, who will be the youngest player to appear in the tournament if he is sent on as a substitute.

"We really want to play," Le Roy said. "I don't care what the Austrian approach to the game will be. We will give everything we have."

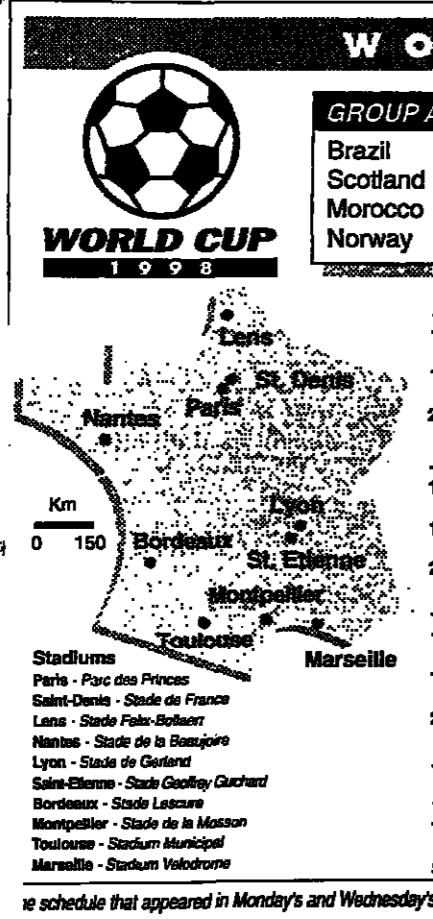
Austria was a surprise winner of its European qualifying group, ahead of Sweden and Scotland, but it lost to Hungary and the United States in exhibition matches before gaining convincing victories over Tunisia and Liechtenstein, traditionally a weak team. Austrian fans booted at the home games.

Cameroon also took first place in its qualifying group in Africa. It followed with a 0-0 draw against the Netherlands in May and a 2-1 victory over Denmark on Friday, when Francois Omam Biyik, a veteran striker, scored two goals.

In 1990, Cameroon became the first African team to reach the quarterfinals of the World Cup. The country qualified again in 1994 but played poorly.

Le Roy appears to have infused his squad with oft-lacking cohesion and team spirit since May, when he retook the job he had already held between 1985 and 1988. (AP, AFP, IHT, Reuters)

Romania Wins a Friendly, 5-2



WORLD CUP SCHEDULE OF MATCHES

	GROUP A	GROUP B	GROUP C	GROUP D	GROUP E	GROUP F	GROUP G	GROUP H
10 June	Brazil 2, Scotland 1	Italy 2, Chile 1	France 2, South Africa 1	Spain 2, Nigeria 1	Holland 2, Belgium 1	Germany 2, U.S. 1	Romania 2, Colombia 1	Argentina 2, Japan 1
11 June	Morocco 2, Norway 1	Cameroun 2, Saudi Arabia 1	Denmark 2, Saudi Arabia 1	Paraguay 2, Bulgaria 1	South Korea 2, Mexico 1	Yugoslavia 2, Iran 1	England 2, Tunisia 1	Jamaica 2, Croatia 1
12 June	Norway 2, Morocco 1	Austria 2, Denmark 1	Denmark 2, Saudi Arabia 1	Bulgaria 2, Paraguay 1	Iceland 2, South Korea 1	Iran 2, Yugoslavia 1	Tunisia 2, Argentina 1	Croatia 2, Japan 1
13 June	Algeria 2, Norway 1	Portugal 2, Austria 1	Colombia 2, Saudi Arabia 1	U.S. 2, Bulgaria 1	Montenegro 2, Mexico 1	Yugoslavia 2, Iran 1	Colombia 2, Romania 1	Japan 2, Jamaica 1
14 June	Portugal 2, Morocco 1	U.S. 2, Denmark 1	Colombia 2, Saudi Arabia 1	U.S. 2, Paraguay 1	Montenegro 2, Bulgaria 1	Iran 2, Yugoslavia 1	Japan 2, England 1	Colombia 2, Argentina 1
15 June	U.S. 2, Portugal 1	Denmark 2, Austria 1	Colombia 2, Saudi Arabia 1	U.S. 2, Paraguay 1	Montenegro 2, Bulgaria 1	Yugoslavia 2, Iran 1	England 2, Colombia 1	Argentina 2, Japan 1
16 June	U.S. 2, Denmark 1	Portugal 2, Saudi Arabia 1	Colombia 2, Saudi Arabia 1	U.S. 2, Paraguay 1	Montenegro 2, Bulgaria 1	Iran 2, Yugoslavia 1	England 2, Colombia 1	Japan 2, Croatia 1
17 June	U.S. 2, Denmark 1	Portugal 2, Saudi Arabia 1	Colombia 2, Saudi Arabia 1	U.S. 2, Paraguay 1	Montenegro 2, Bulgaria 1	Iran 2, Yugoslavia 1	England 2, Colombia 1	Japan 2, Croatia 1
18 June	U.S. 2, Denmark 1	Portugal 2, Saudi Arabia 1	Colombia 2, Saudi Arabia 1	U.S. 2, Paraguay 1	Montenegro 2, Bulgaria 1	Iran 2, Yugoslavia 1	England 2, Colombia 1	Japan 2, Croatia 1
19 June	U.S. 2, Denmark 1	Portugal 2, Saudi Arabia 1	Colombia 2, Saudi Arabia 1	U.S. 2, Paraguay 1	Montenegro 2, Bulgaria 1	Iran 2, Yugoslavia 1	England 2, Colombia 1	Japan 2, Croatia 1
20 June	U.S. 2, Denmark 1	Portugal 2, Saudi Arabia 1	Colombia 2, Saudi Arabia 1	U.S. 2, Paraguay 1	Montenegro 2, Bulgaria 1	Iran 2, Yugoslavia 1	England 2, Colombia 1	Japan 2, Croatia 1
21 June	U.S. 2, Denmark 1	Portugal 2, Saudi Arabia 1	Colombia 2, Saudi Arabia 1	U.S. 2, Paraguay 1	Montenegro 2, Bulgaria 1	Iran 2, Yugoslavia 1	England 2, Colombia 1	Japan 2, Croatia 1
22 June	U.S. 2, Denmark 1	Portugal 2, Saudi Arabia 1	Colombia 2, Saudi Arabia 1	U.S. 2, Paraguay 1	Montenegro 2, Bulgaria 1	Iran 2, Yugoslavia 1	England 2, Colombia 1	Japan 2, Croatia 1
23 June	U.S. 2, Denmark 1	Portugal 2, Saudi Arabia 1	Colombia 2, Saudi Arabia 1	U.S. 2, Paraguay 1	Montenegro 2, Bulgaria 1	Iran 2, Yugoslavia 1	England 2, Colombia 1	Japan 2, Croatia 1
24 June	U.S. 2, Denmark 1	Portugal 2, Saudi Arabia 1	Colombia 2, Saudi Arabia 1	U.S. 2, Paraguay 1	Montenegro 2, Bulgaria 1	Iran 2, Yugoslavia 1	England 2, Colombia 1	Japan 2, Croatia 1
25 June	U.S. 2, Denmark 1	Portugal 2, Saudi Arabia 1	Colombia 2, Saudi Arabia 1	U.S. 2, Paraguay 1	Montenegro 2, Bulgaria 1	Iran 2, Yugoslavia 1	England 2, Colombia 1	Japan 2, Croatia 1
26 June	U.S. 2, Denmark 1	Portugal 2, Saudi Arabia 1	Colombia 2, Saudi Arabia 1	U.S. 2, Paraguay 1	Montenegro 2, Bulgaria 1	Iran 2, Yugoslavia 1	England 2, Colombia 1	Japan 2, Croatia 1
27 June	U.S. 2, Denmark 1	Portugal 2, Saudi Arabia 1	Colombia 2, Saudi Arabia 1	U.S. 2, Paraguay 1	Montenegro 2, Bulgaria 1	Iran 2, Yugoslavia 1	England 2, Colombia 1	Japan 2, Croatia 1
28 June	U.S. 2, Denmark 1	Portugal 2, Saudi Arabia 1	Colombia 2, Saudi Arabia 1	U.S. 2, Paraguay 1	Montenegro 2, Bulgaria 1	Iran 2, Yugoslavia 1	England 2, Colombia 1	Japan 2, Croatia 1
29 June	U.S. 2, Denmark 1	Portugal 2, Saudi Arabia 1	Colombia 2, Saudi Arabia 1	U.S. 2, Paraguay 1	Montenegro 2, Bulgaria 1	Iran 2, Yugoslavia 1	England 2, Colombia 1	Japan 2, Croatia 1
30 June	U.S. 2, Denmark 1	Portugal 2, Saudi Arabia 1	Colombia 2, Saudi Arabia 1	U.S. 2, Paraguay 1	Montenegro 2, Bulgaria 1	Iran 2, Yugoslavia 1	England 2, Colombia 1	Japan 2, Croatia 1
31 June	U.S. 2, Denmark 1	Portugal 2, Saudi Arabia 1	Colombia 2, Saudi Arabia 1	U.S. 2, Paraguay 1	Montenegro 2, Bulgaria 1	Iran 2, Yugoslavia 1	England 2, Colombia 1	Japan 2, Croatia 1
July 1	U.S. 2, Denmark 1	Portugal 2, Saudi Arabia 1	Colombia 2, Saudi Arabia 1	U.S. 2, Paraguay 1	Montenegro 2, Bulgaria 1	Iran 2, Yugoslavia 1	England 2, Colombia 1	Japan 2, Croatia 1
July 2	U.S. 2, Denmark 1	Portugal 2, Saudi Arabia 1	Colombia 2, Saudi Arabia 1	U.S. 2, Paraguay 1	Montenegro 2, Bulgaria 1	Iran 2, Yugoslavia 1	England 2, Colombia 1	Japan 2, Croatia 1
July 3	U.S. 2, Denmark 1	Portugal 2, Saudi Arabia 1	Colombia 2, Saudi Arabia 1	U.S. 2, Paraguay 1	Montenegro 2, Bulgaria 1	Iran 2, Yugoslavia 1	England 2, Colombia 1	Japan 2, Croatia 1
July 4	U.S. 2, Denmark 1	Portugal 2, Saudi Arabia 1	Colombia 2, Saudi Arabia 1	U.S. 2, Paraguay 1	Montenegro 2, Bulgaria 1	Iran 2, Yugoslavia 1	England 2, Colombia 1	Japan 2, Croatia 1
July 5	U.S. 2, Denmark 1	Portugal 2, Saudi Arabia 1	Colombia 2, Saudi Arabia 1	U.S. 2, Paraguay 1	Montenegro 2, Bulgaria 1	Iran 2, Yugoslavia 1	England 2, Colombia 1	Japan 2, Croatia 1
July 6	U.S. 2, Denmark 1	Portugal 2, Saudi Arabia 1	Colombia 2, Saudi Arabia 1	U.S. 2, Paraguay 1				

ART BUCHWALD

Good for the Soul

WASHINGTON — I intend to talk about adultery. The only reason I wish to discuss it is that it's a major topic of conversation at beach parties and cookouts in the United States.

Alleged adultery is not committed by as many people as you think, but at the same time it is committed by more people than we all like to admit. Ken Starr is determined to hang the president of the United States because he allegedly committed adultery and lied about it.



Buchwald

public is whether committing adultery is in the same class with conducting a nuclear test over India.

It is generally accepted that the only way to deal with adultery if you are caught is to deny it. We know all the stories about the husband getting caught with a woman and saying to his wife, "Now don't believe what you see."

American culture demands that, when caught, neither party admit to any hanky-panky. Occasionally there are tearful confessions of bundling, but as long as both parties stick to their stories no one gets in trouble.

What we have in the Starr case is a zealot who is determined to send anyone to jail for allegedly having one or more escapades.

As far as we know right now, Starr has nothing to charge except that Monica Lewinsky allegedly was playing spin the bottle with the president in the Oval Office.

□

Let us, for argument's sake, say that it is true and there was a relationship between Monica and the president.

What does it all mean? The stock market is perking along, interest rates are down and a theater ticket on Broadway costs only \$75. We, the taxpayers, are hoping Starr is wrong and will be disbarred.

I am not going to serve on any jury that tries Monica Lewinsky on any adulterous high crimes or misdemeanors.

Like Starr, I believe confession is good for the soul, but when it costs us \$43 million for what goes on behind someone's closed doors, it's a bargain.

Elgin Marble Battle

NEW YORK — In the latest skirmish over the Elgin marbles, Greece has accused Britain of arrogance in saying that the ancient sculptures from the Parthenon were better preserved in London than in Athens.

The outburst was sparked by the book, "Lord Elgin and the Marbles," by a British historian, which says that in 1937, workers in the British Museum damaged the fifth century B.C. marbles by trying to remove their honey-colored patina with metal scrapers.

Culture Minister Evangelos Venizelos said the book buttressed Greece's case for the marbles' return. London said the account of damage was exaggerated.



Luciano Pavarotti embracing two of the Spice Girls.

Capturing Macau's Gangland — on Camera

By Alison Dakota Gee

HONG KONG — When Henry Fong Ping first met the man who would become the subject of his latest film, he was so filled with fear he could not speak.

Wan Kuok-koi, also known as "Broken Tooth" Ko, is said to be the top triad boss in Macau, the tiny Portuguese colony neighboring Hong Kong. Last fall, Fong approached him about lending his life story to a Hong Kong gangster movie. Wan, who drives a purple Lamborghini, wears smart three-piece suits and a diamond bracelet, and has a distinct flair for self-promotion, did not hesitate. The answer was yes.

"He invited us to Macau for dinner," said Fong, who brought along a scriptwriter to begin researching the film. "I was too afraid to talk or eat. Throughout the meal, I kept my eyes on the ground. The only sound I made was a little laugh whenever Mr. Wan made a joke."

Fong's fear was understandable. As the purported chief of the 14K triad, Wan, 43, would be possibly the most powerful underworld leader in Macau and southern China.

Chinese triads like 14K are crime syndicates, sinister brothel owners that first came into being on the mainland more than a century ago.

The reach of such gangs extends far beyond Asia; law enforcement officials say triads wield considerable influence in most major cities around the world, wherever Chinese communities flourish. Like the Italian Mafia, the triads earn their living through loan sharking, prostitution, gambling and extortion rackets.

And, like the Mafia, their business dealings are characterized by shocking acts of violence and meticulously plotted assassinations.

Macau has certainly not been spared by the triads' brand of urban terrorism. On the contrary: In the last year, the colony has become increasingly criminal. As one of Asia's gambling meccas, with



A scene from Henry Fong Ping's "Casino," a gangster film featuring an alleged triad boss.

myriad casinos lining its harbor, Macau has been overrun by Chinese gangs, battling for control of the lucrative gambling trade.

Today, the tiny enclave of 450,000 people has been transformed from a sleepy village with cobblestone squares and quaint street markets into an incongruous backdrop for machine-gun shootouts, casino murders, bombings and even assassinations of top-level government officials.

On March 24, Francisco Amaral, the third-ranking official in Macau's Gambling Inspectorate, was murdered near the Lisboa Hotel, a leading casino. Two days later, a man walked up to the car of a customs police officer, Chui Ion Kao, and shot him in the head in front of his wife and daughter.

While Macau's violent spiral has not been good news for its law-abiding citizens, it has provided the stuff of which Hong Kong's most

sensational action cinema is made.

"The market is very commercial right now," said Fong. "Everyone wants an action picture with lots of fight scenes. So we decided to do a story about a 'godfather' character."

It is a testament to the ailing state of Hong Kong's film industry that Fong even took on a film like "Casino" in the first place. He is better known for producing art-house films with some of the region's best directors. But Hong Kong's economic recession has brought the city's once flourishing industry to a near halt — over the past three years, film production has dropped by more than 50 percent — and commercial movies like "Casino" are among the few films that can attract investors.

Though "Casino" is not likely to garner any awards for artistic achievement, it is a stylishly told tale. The story follows the rise of a small-time thug named "Giant" (played by the Hong Kong film idol Simon Yam) as told through the eyes of a Hong Kong television journalist (played by Kwok Ho Ying). She captures his anecdotes on videotape, cozies up to him at his chandelier-punctuated mansion and trails behind him as he tends to his daily triad duties.

The assignment leads the journalist through the tense, high-stakes VIP rooms of Macau's glitzy casinos and into local cafés, where Giant conducts negotiations with rival triad bosses over egg tarts and tea. In one scene, the journalist watches in silent horror as Giant slowly drives his flashy sports car over the leg of an innocent woman.

Wan astonished the filmmaking team when he agreed to a series of lengthy research meetings. He also bankrolled most of the film's \$1.7 million budget and the credits list

him as producer. He then ensured that the Hong Kong film crew could maneuver through the colony by flexing his considerable muscle.

Before production even began, for example, the colony's Cultural Institute rejected Wan's application for a public filming license, disapproving of the gang-related content in "Casino." Wan refused to take no for an answer and arranged for filming whenever and wherever he wanted to.

For one scene, the crew blocked Macau's main bridge at dawn to film a procession of more than 200 cars. Then the crew shot a huge gang brawl directly outside Macau police headquarters. "It was easy for us, very easy," said Fong. "We just shot it and ran."

About a week before opening night, Wan was arrested and sent to a prison cell in Macau for allegedly trying to kill the police chief, Antonio Marques Baptista. His arrest appeared to be good news for his movie.

Fueled by the media buzz, "Casino" was shown to 1,000 cinema fans and members of the international press. The film did solid box-office business during its one-month run and is now scheduled for release in Taiwan, Singapore, Korea and Japan.

Although Wan is still in jail awaiting trial, he did get to see his life story projected up on the silver screen. Several weeks before the film's premiere in Hong Kong, Wan arranged for a private screening to which he invited his 10 closest friends and his mother. But when the lights came on after the movie, he did not say a word. Clearly, he expected the movie to portray him as a hero, when in essence he comes off more as a misguided, albeit powerful, thug. "For him, the movie was not grand enough, nor epic enough," Fong said.

"Nobody even clapped," he added with a sigh. "But at least everyone went home alive."

Alison Dakota Gee is a journalist based in Hong Kong.

PEOPLE

THE newest Spice is ... Luciano Pavarotti? The Ginger-less Spice Girls teamed up with the tenor for their first performance since announcing their split last week. The open-air charity song-fest, "Pavarotti and Friends," took place in Modena, Italy, was directed by Spike Lee and co-starred Celine Dion and Stevie Wonder. Proceeds were to benefit poor children in Liberia. "It's Beardy Spice!" a fan shouted as Pavarotti sang the Spice Girls' new single, "Viva Forever." It was the four Spices' first performance since the departure of Ginger Spice, Geri Halliwell.

The singer-songwriter Billy Joel says his current tour will be his last, according to People magazine. "It's time for me to move along," Joel said. Joel was forced to pull out of two British concerts with Elton John, because of an asthma attack. "I can't do the job as well as I used to," he said.

Dudley Moore's estranged wife says his health is failing — and that's why she is dropping her \$10 million lawsuit against him. "I don't want to be the reason he goes over the edge," Nicole Rothschild told the tabloid TV show "Extra." "He said he was waiting to die," she added. "There was really

nothing left for him here." Moore, 63, underwent heart surgery in September because of a blocked artery. He and Rothschild, who have a 2-year-old son, have been involved in a bitter divorce, during which she sued him for abuse.

The songwriting team of Fats Domino and Dave Bartholomew: John Barry, who wrote a dozen James Bond movie themes, and John Williams, who wrote the scores for many Steven Spielberg films, were inducted into the Songwriters' Hall of Fame at the organization's annual dinner in New York.

Queen Elizabeth the Queen Mother, undaunted by her 97 years and hip surgery less than five months ago, inaugurated a new row boat at Cambridge University. It was the 50th anniversary of her becoming the college's patroness, and the 550th anniversary of the college's foundation.

Derek Jacobi, who has portrayed Hamlet, Richard II and Richard III on the British stage, has been awarded this year's Hamburg Shakespeare Prize. Past recipients include Graham Greene, Doris Lessing and Harold Pinter.

For Louvre Restaurant, an American Chef?

New York Times Service

NEW YORK — Mon Dieu! The mother of modern American cooking has been asked to open a restaurant at the temple of French culture in Paris.

Alice Waters, whose restaurant in Berkeley, California, Chez Panisse, has become a shrine to American cooking, is to meet in California on Thursday with Helene David-Weill, chairman and chief executive of the Museum of Decorative Arts of the Louvre, to discuss plans for the museum's new 330-seat restaurant.

The museum building is being restored, and the restaurant is scheduled to open at the end of 2000. The restaurant will look out on the Tuileries Gardens.

If the women can come to an agreement, it would mark a triumphant return to Paris for Waters. She went to France 35 years ago, at 19, when the French were still raising food organically.

"I lived at the bottom of a market street and took all of that in by osmosis," Waters said. She brought it back to the United States and opened Chez Panisse, where the cooking with local ingredients is American with a Provencal emphasis.

"Alice Waters is the quintessence of taste and savoir faire," David-Weill said. "She searches for perfection."

Were there no French chefs for such an undertaking? David-Weill said she did not find them. "They didn't come to us," she said.

Waters said she envisions the Louvre restaurant as a place where parsons can talk to the people who are cooking and where informational cards explain where the food comes from.

She is sensitive to the idea of an American taking over a restaurant at the august Louvre. "I couldn't possibly do it if there were any kind of resistance," she said. She said she plans to use French suppliers and chefs, working with an advisory committee of friends, including the chef Michel Troisgros; Luis Peyraud, the owner of a Bandol winery, and the baker Lionel Poulton.

what they described as violence" in the Srebrenica massacre. More than 10,000 people have been killed and an estimated 20,000 have fled since the July 1995 crackdown in Bosnia-Herzegovina, the Balkans.

The members of the commission solution has been to work with the Serbs to protect and restore the monuments while preserving the culture of Yugoslavia. The commission is the only Serb-led international body to have come into existence.

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